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No. 22049 A

3458

3458

In the  
**United States Court of Appeals**  
FOR THE NINTH CIRCUIT

K-S-H PLASTICS, INC., a Missouri corporation,  
*Appellant,*  
*vs.*

SUNBEAM LIGHTING COMPANY, INC.,  
a California corporation,  
*Appellee.*

**APPELLANT'S OPENING BRIEF**

**FILED**

NOV 13 1967

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NOV 15 1967





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IN THE  
UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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**No. 22049 A**

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K-S-H PLASTICS, INC., a Missouri corporation,  
*Appellant,*

*vs.*

SUNBEAM LIGHTING COMPANY, INC.,  
a California corporation,  
*Appellee.*

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**APPELLANT'S OPENING BRIEF**

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**STATEMENT OF PLEADINGS AND  
JURISDICTIONAL FACTS**

**A. Statement of the Pleadings**

**1. The Complaint and Answer**

Plaintiff, K-S-H Plastics, Inc., subsequent to depositing several employees and officers of Sunbeam Lighting Co. Inc., (hereinafter referred to as "Sunbeam") in connection with plaintiff's suit against Carolite (Appeal No.



22049), filed its complaint against Sunbeam. (Vol. I, R. 2).\*

The complaint charged Sunbeam with unfair competition and predicated jurisdiction upon diversity of citizenship and an amount in controversy over Ten Thousand Dollars (\$10,000.00) exclusive of interest and costs.

The complaint alleged that Sunbeam was palming off lighting panels, identical to those made and sold by plaintiff, upon purchasers who requested, demanded or specified plaintiff's lighting panels, without obtaining any approval for such substitution.

On April 12, 1966, Sunbeam answered, (Vol. I, R. 6) denying that it was guilty of palming off and affirmatively alleging that the court lacked jurisdiction, that plaintiff was guilty of unclean hands because of violation of the anti-trust laws, and other defenses.

## **2. Subsequent Pleadings**

Plaintiff moved on February 25, 1966 for a preliminary injunction to prevent Sunbeam's unfair competition. After Sunbeam's reply, the Court denied plaintiff's motion on April 12, 1966. (Vol. I, R. 11) Simultaneously the Court ordered the case consolidated for trial with plaintiff's action against Carolite and set both causes for trial. (Vol. I, R. 11) Prior to this order, Sunbeam had written a letter to the trial court advising that its case was related to the Carolite case.

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\* The Record comprises ten volumes, volumes three through ten containing the testimony at the trial. References to volume one are identified as "Vol. I, R. —." Volume II is the record in the Carolite Case. The remaining volumes with consecutive pagination are identified only by page reference numeral, thus "R. —."

On May 20, 1966, Sunbeam moved to dismiss under Rule 12(b) (1) on the ground that the Court lacked jurisdiction over the subject matter or alternatively to compel plaintiff's further answers to interrogatories previously served by Sunbeam. By order of June 7, 1967, this motion was continued to and until trial of the action. (Vol. I, R. 13)

Several other motions regarding discovery were also adjudicated by the court on June 7, 1966, by ordering that all discovery be terminated. (Vol. I, R. 13) Plaintiff thereafter applied to this Court for leave to file a petition for a Writ of Prohibition which was denied with direction to the District Court to allow plaintiff to show that the lower court abused its discretion by terminating discovery. At the trial of this action, the lower court offered plaintiff the opportunity to take further discovery after plaintiff's *prima facie* case was presented, stating that without such opportunity it would probably be an abuse of discretion to conclude the case. (R. 655) Further discovery was rendered unnecessary, however, by reason of admissions made by Sunbeam (R. 659-60) and statements made by the court relating to costs and relief (R. 663, 668) discussed more fully hereafter.

After the trial, the Court rendered its decision and subsequently entered Findings of Fact and Conclusions of Law prepared by Sunbeam (Vol. I, R. 15-22) after refusing to enter Findings of Fact and Conclusions of Law submitted by Plaintiff.



**B. Jurisdiction of the District Court and of the Court of Appeals for the Ninth Circuit.**

**1. Jurisdiction of the District Court**

Jurisdiction is based upon Section 1332 of Title 28 of the United States Code. The lower court found that plaintiff was a citizen of Missouri having its principal place of business therein and that Sunbeam was a citizen of California having its principal place of business in that state. (Vol. I, R. 16) The court further held that it had jurisdiction over the parties and the subject matter of the action. (Vol. I, R. 21)

**2. Jurisdiction of the Court of Appeals**

Judgment was entered for plaintiff in part and in part for Sunbeam on May 4, 1967. (Vol. I, R. 23) Jurisdiction on appeal is based upon Section 1291 of Title 28 of the United States Code and upon plaintiff's notice of appeal filed on May 31, 1967. (Vol. I, R. 40)

**STATEMENT OF THE CASE**

**A. Summary of the Facts**

**1. Plaintiff's Business and Products**

A complete description of plaintiff's business and the products it manufactures and sells is included in plaintiff's brief in co-pending Appeal No. 22049, at pages (4) through (7).

Insofar as this case is concerned, it is only important to note that plaintiff makes and sells lighting panels purchased directly by fixture manufacturers, such as Sunbeam, and sold by them with the fixture to the ultimate consumer. An explanation of the distribution system for lighting panels and lighting fixtures will facilitate understanding of the manner in which Sunbeam effected the palming off.

## **2. Sunbeam's Business and an Explanation of The Specification System**

Sunbeam Lighting Co., Inc. is a manufacturer of lighting fixtures. The fluorescecent lighting fixtures made and sold by Sunbeam include lighting panels which are either purchased from sources such as plaintiff or Carolite or are manufactured for Sunbeam and sold as a Sunbeam product. For example, Sunbeam sells panels under its trademarks Metalux and Sunlux. (R. 689) Where the lighting panels requested by the customer are other than those sold as Sunbeam panels, such panels are purchased from a panel manufacturer and incorporated into the fixture prior to delivery to the customer.

Lighting fixtures and lighting panels are distributed by a specification and bid system in which the specification is prepared by an architect or lighting engineer as agent for the building owner. (Finding of Fact No. 5, Vol. I, R. 17) The specification designates the lighting fixture and panel by the use of the manufacturer's name, trade symbol or catalog number. In some specifications, the lighting panel is identified as part of the lighting fixture designation, and in others, by a separate designation such as "K-5 acrylic panels" or "K-S-H K-12 polystyrene panels." The lighting fixture manufacturers prepare bids which are based upon the specification; however, the bid may be based upon substitute products in which event the specifier has the right to approve the substitution. The system assures control by the lighting engineer over the type and manufacturer of each product installed in the building and maintains such control by the requirement of formal approval or authorization for any substitute.

The electrical components are purchased by purchase orders emanating from the general or electrical con-



tractor to an electrical distributor which in turn issues a purchase order for the lighting fixtures and panels to the lighting fixture manufacturer which bid successfully.

**3. Testimony Regarding the Function Performed  
By the Symbols K-4, K-5, K-11 and K-12**

**(a) Representatives of Lighting Panel  
Manufacturers**

A representative from only lighting panel manufacturer (other than plaintiff and Carolite), Sheffield Plastics, Inc., testified with respect to the usage of the trade symbols K-4, K-5, K-11 and K-12 in the industry. Mr. Frank Teague, vice-president in charge of sales, testified that Sheffield Plastics, Inc. was a vigorous competitor of plaintiff and was familiar with plaintiff and the manner in which its products were identified. (R. 234-35, 265) With specific reference to the use of the trade symbols K-4, K-5, K-11 and K-12, Mr. Teague testified as follows:

“Q. What does K-4, K-5, K-11 and K-12 mean to you?

A. A lens manufactured by K-S-H.

Q. And any particular lens?

A. Each K number denotes a particular lens.”  
(R. 235)

Like many other lighting panel manufacturers which use alphanumeric trade symbols to identify their lighting panels, Sheffield Plastics, Inc. uses the terms SL-23, SL-35, SL-56 and SL-87. (R. 241; Plf. Exs. 40 and 41) The panel identified with trade symbol SL-56 has the identical pattern configuration to plaintiff's K-4 panel. (R. 244-45; Plf. Exs. 40 and 41) And the panel designated SL-87 has a pattern configuration identical to plaintiff's K-5 panel. (R. 244-45; Plf. Exs. 40 and 41)

Under extensive cross-examination Mr. Teague demonstrated that he was familiar with the trade symbols used by numerous lighting panel manufacturers but was not aware of any manufacturer using the symbols K-4, K-5, K-11 and K-12 other than plaintiff. (R. 62-65)

**(b) Representatives of Lighting Fixture Manufacturers**

Testimony was elicited from a number of representatives of lighting fixture manufacturers other than Sunbeam. The deposition of Mr. Harold Glass, executive vice president of Lighting Products, Inc., was introduced in evidence on behalf of plaintiff. (Plf. Ex. 106) Mr. Glass testified that over ninety per cent of the sales of Lighting Products, Inc. were in response to specifications and that it was customary for lighting engineers to specify plaintiff's panels with the designation, for example, K-12. (Plf. Ex. 106, Glass Depn. pp. 12 and 25) With respect to the source identifying function of several of plaintiff's trade symbols, Mr. Glass testified as follows:

“Q. Now, what does K-11 and K-12 mean to you when you see it anywhere?

A. It means that this is a particular prismatic panel that has been designated by a specifier, and to indicate a panel made specifically by the K-S-H Plastics Company.

\* \* \*

Q. If it designates, the specification designates, as it does on Plaintiff's Exhibit 217A, for a K-12 Acrylic Lens ---

A. To my mind he definitely wants a K-12 panel which is manufactured by K-S-H, and nothing else.” (Plf. Ex. 106, Glass Depn., pp. 7 and 13-14)

Under cross examination Mr. Glass testified with respect to the trade symbol K-12 as follows:



“Q. Does the ‘K-12’ reference in your quotation refer to the physical configuration of a panel that you would supply?”

A. It refers both to that and to the manufacturer.” (Plf. Ex. 106, Glass Depn. p. 43)

The deposition of another vice president of Lighting Products, Inc., Eric Church, was also introduced in evidence. ((Plf. Ex. 107) Mr. Church testified that the symbols, such as K-5, K-11 and K-12, indicate lighting panels manufactured only by plaintiff. (Plf. Ex. 107, Church Depn., pp. 6-7) He also indicated that the term K-11 appearing with reference to plaintiff in the price list of Lighting Products, Inc. designated “a K-S-H panel.” (Plf. Ex. 107, Church Depn., p. 50)

Mr. Charles Perry, manager of the Sunnyvale, California plant of Day-Brite Lighting Company, one of the largest lighting fixture manufacturers in the country, testified at the trial of this action. Mr. Perry stated that Day-Brite offers a proprietary line of lighting panels for sale with its fixtures, *i.e.* lighting panels manufactured for Day-Brite and sold under its own name. It also offers plaintiff’s lighting panels as alternates to its own panels. (R. 528-29) With respect to his understanding as to the meaning of plaintiff’s trade symbols, the witness testified:

“Q. What does this letter and number mean to you?”

A. The letter means that it is a lens supplied by K-S-H. The number designates one of the several configurations of lens that is offered by K-S-H.” (R.529)

In its catalogs and price lists, Day-Brite uses the symbols K-4, K-5 and K-12 without reference to the names K-S-H or K-LITE. (Plf. Ex. 31; R. 529, 537) On cross examination the witness was interrogated as to whether it sold lighting panels of other manufacturers having a pattern identical

to that on plaintiff's K-4, K-5 and K-12 panels, since it made no reference in its catalogs to K-S-H. The witness responded:

“Q. Other in relation to the K numbers?

A. No. If they are not a K-S-H product, we don't use a K reference on the lens that we offer in substitution for a K-S-H product.” (R. 534-35)

Two witnesses from Globe Illumination Company testified on behalf of defendants with respect to the usage of the terms K-4, K-5, K-11 and K-12. Mr. Robert Forgnone, purchasing agent, testified that these trade symbols designate patterns in part (R. 904) and upon further inquiry testified:

“Q. I am asking what your understanding is. Doesn't the K number also designate K-S-H?

A. Yes, I would say it does.” (R. 909-10)

The president, Mr. Leonard Rosenblatt, testified that “there are certain K designations which only go to K-S-H and there are others that could go either way.” (R. 962) This witness testified that plaintiff is the only panel manufacturer using the symbols K-4, K-5, K-11 and K-12. (R. 956)

Mr. Marx, vice president of Nu-Lite Fluorescent Mfg. Co., also testified for defendants that plaintiff's trade symbols designate only the pattern configuration embossed on lighting panels. He also stated that these trade symbols were used exclusively by plaintiff (R. 991) and admitted that prior to manufacture by Carolite, K-S-H Plastics, Inc. was the only manufacturer of panels having a pattern as appears on plaintiff's K-11 and K-12 lighting panels. (R. 993)

The sales manager of Acme Manufacturing Company, Mr. Eugene Wade, testified for defendants that each of



plaintiff's trade symbols identified a particular pattern and not a company but admitted that plaintiff was the exclusive user of these trade symbols. (R. 1035)

It was admitted by the representative of Globe, Nu-Lite and Acme (defendant's witnesses) that when they received specifications in which the lighting panel is designated with one of the symbols K-4, K-5, K-11 or K-13 alone they had continually supplied lighting panels of other manufacturers without obtaining approval of the specifying lighting engineer or architect. (Globe, R. 959; Nu-Lite, R. 987-88; Acme, R. 1021-22) These witnesses, called by Sunbeam, were aware that it was this conduct of substitution on specifications of this type without architect approval which plaintiff was charging was "palming off" by Sunbeam.

### **(c) Lighting Engineers**

During the discovery taken by plaintiff relating to palming off by Sunbeam and Carolite, plaintiff had cause to depose a lighting engineer who was then employed as a general manager of an electrical contractor. The witness, Mr. Robert Kohnen, also testified with respect to the meaning of K-4 as follows:

"Q. And K-4 indicates what to you?

A. K-4 indicates a K-S-H acrylic lens to me." (Plf. Ex. 116, Kohnen Depn., p. 9)

Four lighting engineers testified at the trial, the first of which was Mr. J. S. Hamel. Mr. Hamel's experience throughout the nation in electrical and lighting consulting began nearly thirty years ago. (R. 500-01) The engineering consulting firm which he presently heads has completed the planning and design for the electrical lighting installations for the New York World's Fair on 1964 and 1965. (R. 501) Mr. Hamel, personally, has also been the consult-

ing engineer for Walt Disney Productions since 1963 and his firm has performed all of the consulting work on Disneyland and was engaged at the time of trial to do the consulting work on the Disneyland in Florida and on the Mineral King Resort area. (R. 501)

In the Los Angeles area, Mr. Hamel's firm has performed the electrical engineering and lighting consulting work on the Los Angeles International Airport, Chavez Ravine Ball Park, numerous buildings at the University of California and the University of Southern California and over 80 schools and industrial installations in the Southern California area. (R. 501-02) Mr. Hamel, who stated that he had long been familiar with K-S-H Plastics, Inc. testified as follows:

"The Witness: Well, the K, a number K-1 or K-5, as we have been using them in the trade, let us say, always meant K-S-H. I never heard of it used for anything else.

The Court: It always meant K-S-H?

The Witness: Yes. A similar situation prevails for glass. Corning Glass Company brought out a refracting glass pattern for the same purpose that the plastic is used for fluorescent lighting. They call it Pattern 70. When anyone says Pattern 70, we automatically think of Corning. Nobody else makes a Pattern 70." (R. 504)

Mr. Fred Cooper, also a lighting engineer in the private consulting field, testified that he was familiar with plaintiff's products and with the fact that they were designated with the trade symbols K-4, K-5, K-11 and K-12. (R. 547) In response to an inquiry of whether the witness associated these trade symbols with a particular company, Mr. Cooper testified:

“A. Yes, I think quite clearly in my mind the concept of the K and the numeral has meant to me the K-S-H Manufacturing Company.” (R. 549)

On cross-examination the witness was questioned as to whether he used any of these trade symbols in oral conversations, as opposed to written specifications, to indicate both pattern and manufacture. The replication was as follows:

“A. Yes. Constantly we designate the K and the numeral both as the interpretation of the pattern we seek and the manufacturing plant. (R. 550)

Two lighting engineers, Henry Simmons and Arthur Root, testified for defendants that the symbols K-4, K-5, K-11 and K-12 designated pattern (R. 812; R. 864) Mr. Simmons stated that he was not aware of any lighting panel manufacturer other than plaintiff that used these trade symbols to designate their product. (R. 825) Similarly, Mr. Root testified that plaintiff was the exclusive panel manufacturer using these trade symbols. (R. 883) Although Mr. Root testified that K-4 was used in the industry to designate only pattern, he also stated that if he desired a lens made by Carolite he would not specify Carolite K-4 but would use Carolite C-4. (R. 864)

### **Representatives of Carolite and Sunbeam**

Prior to the institution by plaintiff of the consolidated lawsuit against Sunbeam, a number of officers and employees were deposed in connection with the Carolite suit. Each of these witnesses were called by plaintiff at trial and admitted having made the deposition statements, although they offered various qualifications and explanations for their prior admissions.

The quotation manager of Sunbeam, Mr. Ed Lathram testified that K-S-H was the exclusive user of the trade



symbols K-4, K-5, K-11 and K-12 to designate their lighting panels. The witness stated that these symbols identified the manufacturer of a particular pattern lighting panel (R. 678) and as to his understanding of the function of these terms, he testified at his deposition:

“Q. So when you say a K number does that indicate that K-S-H makes that particular lens?

A. That is true.’”

The president of Sunbeam, Mr. Herbert L. Kreiger, admitted at the trial that he had stated at his earlier deposition as follows:

“Q. When you see a K number or hear a K number, do you associate it with any particular company?

A. K number, yes. K number I know is K-S-H.’”  
(R. 703)

Mr. Kreiger also testified at his deposition:

“Q. And if you see a K-4 or K-5, you would assume that was a K-S-H product, correct?

A. Right.’” (R. 705)

Mr. Johannes H. Shirley, assistant sales manager for Sunbeam Lighting Company, also testified with respect to his familiarity with plaintiff company and its alphanumeric symbols. Mr. Shirley had previously testified at his deposition as follows:

“Q. Do the numbers K-4, K-5 and K-12 indicate to you the K-S-H Plastics Company?

A. Well, when I see the K, yes.’” (R. 711)

The witness then explained that K-4 and K-5 meant only a pattern configuration notwithstanding his previous deposition statements. Further deposition testimony was then used to examine the witness which testimony reads:

“Q. Earlier in your testimony you stated that as to the alphanumeric designations, such as K-5, would

indicate that the product was from K-S-H. Now, is it your understanding that the letter K in the alphanumeric designation designates K-S-H?

A. Well, because being in the industry and having seen those numbers for so long, I would know that K would refer to K-S-H, certainly.' " (R. 712)

The purchasing agent for Sunbeam Lighting Company, Mr. William Harden, testified that he had held this position for fourteen years and was familiar with plaintiff and the product identification symbols used by plaintiff. (R. 736-737) Mr. Harden had previously been deposed and had testified as follows:

" 'Q. And K meant K-S-H to you?

A. Presumably yes.

Q. And you know of no one else that uses the K designation, do you?

A. No, I do not.' " (R. 741)

At the trial the witness also admitted that he had stated at his deposition as follows:

" 'Q. So there isn't any question that K would mean K-S-H when you saw it with K-4 or K-5?

A. That is right.' " (R. 742)

Only one of the employees, Mr. Sol Matloff, testified at his earlier deposition that he did not associate the symbols K-4, K-5, K-11 and K-12 with lighting panels manufactured by plaintiff.

The sales manager of J. W. Carroll & Sons and Carolite, Inc. also testified at the trial with respect to the function of plaintiff's alphanumeric symbols. Mr. Vaughn testified as follows:

" 'Q. When you see the K number, Mr. Vaughn, do you think of K-S-H? Does K-S-H come to mind?

A. Well as a K standing by itself, not necessarily but it depends upon who I am talking to. If I am

talking to a buyer regarding prismatic lens, it would, yes.

Q. It would, yes?

A. Yes, with certain exceptions.

Q. Well, what are the exceptions?

A. Well, if I was talking to a buyer who had never purchased K-S-H lenses, if he was Sheffield or some other manufacturer, he might not be familiar with the K numbers.' " (R. 759)

The witness was obviously indicating that lighting panel purchasers would be familiar with plaintiff's trade symbols only if he had purchased lighting panels manufactured by plaintiff.

#### **4. Palming Off by Sunbeam**

The question of whether Sunbeam was guilty of unfair competition by palming off involved two types of specifications (i.e. requests for lighting panels): (1) some specifications designated plaintiff's lighting panels with one of plaintiff's trade symbols, K-S-H or K-LITE, in conjunction with one of the trade symbols K-4, K-5, K-11 or K-12; and (2) other specifications designated the lighting panels with one of the trade symbols K-4, K-5, K-11 or K-12 alone.

As to the first type of specification, the court found that the use of K-S-H or K-LITE was a specific demand for lighting panels manufactured only by plaintiff. (Vol.I, R. 21) Plaintiff proved that on at least one construction job involving this type of specification, referred to as the Lincoln Hospital Job, Sunbeam substituted lighting panels made by Carolite without obtaining approval, and therefore palmed off such panels on the customer. (Vol. I, R. 21) To obviate further discovery, it was agreed that other instances of such palming off need not be proved by plain-



tiff, since this one instance would support plaintiff's requested injunctive relief.

An appropriate judgment order, enjoining both Sunbeam and Carolite from palming off Carolite panels where the panel designations included the terms K-S-H or K-LITE, was entered. (Vol. I, R. 23)

As to the second type of specification, where the panel was designated by one of the symbols K-4, K-5, K-11 or K-12 alone, plaintiff had the burden of proving: (1) that the use of such a symbol was a demand for plaintiff's lighting panel; and (2) that defendant substituted other panels when customers requested panels by the use of these trade symbols. The facts relating to the first point were discussed above under the preceding heading.

With respect to the second point, plaintiff proved that in the construction of the Charter Oaks Presbyterian Church, the paonels were identified in the specification with the designation "K-5". (Plf. Ex. 49) Sunbeam witnesses admitted that Carolite panels were supplied by Sunbeam, without obtaining approval. (R. 681-82) Similarly, in the construction of the Ronson Hydraulic Units Corp. Mfg. Building, the lighting panels were designated with the trade symbol "K-5". (Plf. Ex. 51) Again, Sunbeam substituted Carolite panels without obtaining approval. (R. 687) Moreover, it was admitted at trial by several of Sunbeam's officers and employees that it was Sunbeam's practice to substitute without approval on *all* specifications using K-4, K-5, K-11 or K-12 alone. (R. 605; 691-92) Finally, counsel for Sunbeam admitted in open court that there were additional jobs involving such substitutions and agreed to stipulate to this fact. (R. 658-60)

## **B. Questions Involved**

1. Whether the primary significance of the trade symbols K-4, K-5, K-11 and K-12 to purchasers and prospective purchasers of plastic prismatic lighting panels is only to describe the pattern configuration embossed on such panels or whether such symbols identify lighting panels manufactured by K-S-H Plastics, Inc.

2. Whether Sunbeam was guilty of unfair competition by palming off through substitution of lighting panels identical in appearance to those made and sold by plaintiff, without approval, when plaintiff's lighting panels were specified by the trade symbols K-4, K-5, K-11 and K-12 alone.

## **ERRORS RELIED UPON**

1. The court erred in finding that plaintiff's only use of the trade symbols K-4, K-5, K-11 and K-12 in its advertising was to identify patterns, that plaintiff advised or instructed specifiers to use the term K-LITE and that plaintiff has not regarded the trade symbols K-4, K-5, K-11 and K-12 as indications of source and has relied only upon its registered trademarks to identify the maker of the goods. (Finding of Fact No. 9, Vol. I, R. 19)

2. The court erred in finding that K-4, K-5, K-11 and K-12 are regularly used by fixture manufacturers to sell lighting panels other than those made and sold by plaintiff, that these trade symbols are generally used to indicate pattern only, that these trade symbols are not associated by specifiers with a single source, and that the primary significance of these trade symbols is one of pattern and not source. (Finding of Fact No. 10, Vol. I, R. 19)

3. The court erred in finding that plaintiff did not establish a secondary meaning for the terms K-4, K-5, K-11 and K-12. (Finding of Fact No. 1, Vol. I, R. 19)

4. The court erred in finding that specifiers using the trade symbols K-4, K-5, K-11 and K-12 alone were not seeking lighting panels made and sold by plaintiff and that purchasers who ordered plaintiff's lighting panels with these trade symbols alone but received Carolite panels were not deceived. (Finding of Fact No. 12, Vol. I, R. 19-20)

5. The court erred in concluding that plaintiff does not have the exclusive right to use the trade symbols K-4, K-5, K-11 and K-12 on plastic lighting panels. (Conclusion of Law No. 2, Vol. I, R. 21)

6. The court erred in concluding that plaintiff does not have any common trademark rights in the trade symbols K-4, K-5, K-11 and K-12. Conclusion of Law No. 3, Vol. I, R.21)

7. The court erred in concluding that Sunbeam is not guilty of unfair competition by substituting, without authorization, lighting panels manufactured by others than plaintiff when the specification or purchase order designates the lighting panels to be supplied with the trade symbols K-4, K-5, K-11 or K-12 alone. Conclusion of Law No. 5, Vol. I, R. 21)



## ARGUMENT

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In summary, argument for plaintiff-appellant involves two primary issues. First, plaintiff asserts that the trade symbols K-4, K-5, K-11 and K-12 are recognized in the trade as identifying lighting panels manufactured and sold only by K-S-H Plastics, Inc. These symbols identify origin of the product and the fact that they also incidentally designate particular patterns embossed on plaintiff's lighting panels does not render the symbols unprotectable. Sunbeam entirely failed to show that these trade symbols were generic designations for a lighting panel pattern configuration.

Second, since the symbols K-4, K-5, K-11 and K-12, standing alone, are a designation of plaintiff's product, a specification prepared by a lighting engineer using one of such symbols is a demand for plaintiff's product only. When a merchant who receives a request for one manufacturer's product, substitutes without approval or authorization of the customer an indistinguishable product of another, he is palming off. The law of unfair competition proscribing palming off is of virtually antediluvian origin. And Sunbeam has admitted that it substitutes without approval when it receives specifications identifying the panels with the symbols K-4, K-5, K-11 or K-12 alone.

### **A. The Trade Symbols K-4, K-5, K-11 and K-12 Are Valid Common Law Trademarks**

The primary question on this appeal involves the significance of the trade symbols K-4, K-5, K-11 and K-12\*

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\*At the trial plaintiff offered proof that the United States Patent Office recognized K-11 and K-12 as registrable trademarks when it passed them for publication, but the court excluded this proof presumably on the ground that the application in the U.S. Patent Office were filed after the subject lawsuits. (R. 120-122)

used by plaintiff. The lower court erred in failing to find that these symbols functioned so as to identify plaintiff's products. This error emanated from the court's misunderstanding as to the nature and function of trademarks. The court viewed the question as whether plaintiff was entitled to "appropriate" a part of the alphabet. (R. 770, 772) Indicative of the court's failure to appreciate that a symbol which identifies a product made by a particular manufacturer is a trademark, regardless of Federal registration, and is entitled to protection, is shown by the statement of the court:

"I could hold that the K number alone is not a trademark, but there is a *secondary meaning* of the K number alone, and by substituting the C number for a K number, there has been unfair competition. I may not go so far as to hold that the K number is a trademark." (Emphasis added) (R. 659)

Thereafter, the court stated with respect to secondary meaning:

"Well, I don't think there is any question that the defendants, *both Sunbeam and Carolite recognize that K, K-4, K-5, K-11 stood for or represented one of the plaintiff's panels*. I don't think there is any question about that. They understood it.

"But the problem in my mind is whether or not you can get such a right by usage." (Emphasis added) (R. 773-74)

It is plaintiff's position that Sunbeam and Carolite, as well as other members of the lighting industry, recognize that K-4, K-5, K-11 and K-12 identify plaintiff's products, and that *symbols which serve such function through usage are protectible trademarks*. The court failed to apply the proper law to the facts which clearly showed that plaintiff's symbols were trademarks.

Plaintiff would ordinarily not feel compelled to cite authority for the proposition that a trademark is created by usage. However, since the trial court raised the question, we submit that this issue was settled in the *Trademark Cases*, 100 U.E. 82, 94 (1879) where the court noted that the exclusive right to use a symbol is founded upon *use* of the symbol and not merely adoption.

In the present case, plaintiff has established long continuous and exclusive use of the symbols K-4, K-5, K-11 and K-12. Defendants have neither denied nor controverted the wide-spread usage, but have contended that these symbols are used in the trade only to designate pattern configuration. It is therefore important to show, first, that the case law recognizes that a symbol may serve a dual function, and second, that the evidence establishes that K-4, K-5, K-11 and K-12 indicate source and incidentally pattern.

**1. The Law Recognizes That Trademarks May Also Serve To Indicate Grade, Quality Or Pattern In Addition To Indicating Source Or Origin**

In *Tillman & Bendell v. California Packing Corp.*, 63 F.2d 498 (9th Cir. 1933) decided by this Court, the plaintiff sold four different brands of coffee and designated its most superior brand with the term "Del Monte." One of the defenses relied upon by the defendant was that plaintiff's use of this term was in a grade mark sense and consequently could not be protected as a trademark. The Court reviewed considerable conflicting testimony with respect to the manner in which the term was used in the trade and stated at page 504:

"Despite the various discrepancies in the testimony and the variances in the exhibits, we are of the opinion that the course of dealing of the appellant



during the past four decades indicates that the 'function' of the name 'Del Monte' was, particularly, at least, to designate the 'origin' or 'ownership'. That the name also fulfilled the office of a grade designation did not, as we shall presently see, militate against its trade-mark use."

The Court then discussed the earlier cases of *Menendez v. Holt*, 128 U.S. 514 (1888) and *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U.S. 537, 11 S.Ct. 396 (1891). In each of these cases the issue of whether a particular symbol was a grade mark or a trademark was raised. The Supreme Court reviewed the evidence and in the *Menendez* case found that the term indicated both origin and quality and concluded that the term was to be protected as a trademark. In the *Lawrence* case, the court concluded to the contrary, based upon substantial evidence that the term had been used as a grade designation by numerous manufacturers other than the plaintiff and in some instances competitors had used the term *prior* to plaintiff. These Supreme Court cases illustrate that the status of a symbol, grade mark or trademark, depends upon the facts of the particular case. Thus, in this Court's holding in the *Tillman & Bendell* case, the Court was undoubtedly correct in stating that the mere fact that a symbol indicated grade or quality *in addition to indicating origin* did not foreclose a holding that the symbol was a protectible trademark.

In *Apple Growers Association v. Pelletti Fruit Co.*, 153 F.Supp. 948 (N.D.Cal. 1957), the *Tillman & Bendell* case was relied upon to reject a contention that a symbol could not be protected as a trademark if it also indicated grade. The Court stated at page 950:

"This argument also is without foundation for it is clear that a trademark may include a designation of grade or quality without losing its character as a trademark."

In the recent case of *Kiekhafer Corp. v. Willys-Overland Motors*, 236 F.2d 423 (C.C.P.A. 1956), the court suggested that the determinative facts on the status of a particular symbol are the intent and manner in which the symbol has been used by the person claiming ownership and the manner in which customers and prospective customers used the symbol.

**2. Plaintiff Intended To Use And Has Used K-4, K-5, K-11 And K-12 To Indicate Origin Of Its Lighting Panels**

The intent of plaintiff to use K-4, K-5, K-11 and K-12 as trademarks was unequivocally set forth by the president and vice-president of K-S-H Plastics Inc. (R. 12, 42 and 288) The manner in which these symbols have been used by plaintiff, since the first symbol was adopted in 1958, also corroborates the testimony of plaintiff's officers with respect to plaintiff's intent to use these symbols to indicate origin. Trademark emphasis is particularly evident in the advertising material, literature and catalogs distributed by plaintiff since 1962. (Plf. Exs. 4, 8 and 22) It was at this time, according to the testimony of plaintiff's vice-president, that plaintiff directed its advertising and promotion toward the lighting engineers and architects who performed the actual selection of the lighting panels to be purchased. (R. 92)

Prior to 1962 when plaintiff began its heavy advertising, lighting panels were only generally described by the specifiers and the selection of the manufacturer of the panel was left to the lighting fixture manufacturers which favored their own panels. When the fixture manufacturer did buy from panel manufacturers they obviously knew where the order was sent and therefore plaintiff's earlier trade literature distributed to fixture

manufacturers appeared to use the symbols particularly to designate a lighting panel pattern configuration. However, to reach the business at its actual source, *i.e.* the persons who specified lighting panels but who were generally unfamiliar with panel manufacturers, post-1962 advertising shows primary use of the symbols K-4, K-5, K-11 and K-12 to indicate origin and only incidentally to identify a pattern. (Plf. Exs. 4 and 8 through 23)

**3. The Trade Has Used K-4, K-5, K-11 and K-12 To Identify Lighting Panels Manufactured Only By Plaintiff**

With respect to the manner in which the trade symbols K-4, K-5, K-11 and K-12 are used in the trade, there was, as may be expected, conflicting testimony introduced by the parties. It is submitted, however, that the evidence entirely and completely fails to support a finding that these symbols were used solely to indicate pattern by persons in the trade. Indeed, the evidence preponderates in favor of a finding that the symbols K-4, K-5, K-11 and K-12 were used by persons in the lighting industry primarily in a trademark sense, *i.e.* to indicate origin. Plaintiff's symbols are used and are familiar to three distribution levels in the industry: (1) lighting panel manufacturers, (2) lighting fixture manufacturers, and (3) specifiers.

Aside from the above-mentioned testimony of plaintiff's officers only two other persons employed by lighting panel manufacturers testified with respect to the function of plaintiff's symbols. The unequivocal testimony of the Sales Vice-president of plaintiff's largest lighting panel competitor, Sheffield Plastics, Inc., was that K-4, K-5, K-11 and K-12 mean a lens manufactured only by K-S-H Plastics, Inc. (R. 234) This knowledgeable member of



the lighting industry also was aware that each of the various symbols additionally designated a particular lighting panel pattern configuration. (R. 235)

The Sales Manager of Carolite Inc., Wendell Vaughn, also testified that as an employee of a lighting panel manufacturer he was familiar with K-4, K-5, K-11 and K-12. The witness stated that when discussing lighting panels, with prospective purchasers, seeing these terms would bring K-S-H to mind. (R. 759) Of lighting panel manufacturer employees and officers, only Carolite's president, Larry A. Wellen, testified that K-4, K-5, K-11 and K-12 meant pattern configuration only.

Representatives from numerous lighting fixture manufacturers testified as to the function of K-4, K-5, K-11 and K-12. Lighting fixture manufacturers are familiar with lighting panel manufacturers' trademarks since they receive specifications, prepare bids based thereon, and order the panels to be supplied with their fixtures. Mr. Harold Glass, the Executive Vice-President of Lighting Products Inc., stated that these terms definitely mean a particular lighting panel manufactured *only* by K-S-H Plastics, Inc. (Plf. Ex. 106, Glass Depn., pp. 7 and 13-14) Another vice-president of the same company also testified that K-4, K-5, K-11 and K-12 indicate lighting panels made and sold by plaintiff. (Plf. Ex. 107, Church Depn., pp. 6-7 and 50). Lighting Products, Inc. is a midwest concern doing a nationwide business selling lighting fixtures and panels almost exclusively in response to specifications. (Plf. Ex. 106, Glass Depn. p. 12)

Mr. Charles Perry, manager for the Day-Brite Lighting Company in Sunnyvale, California, one of the largest lighting fixture manufacturers in the United States, also testified as to the function of K-4, K-5, K-11 and K-12.

He stated that these trade symbols indicate a lens made *only* by K-S-H and that a particular term also identifies the pattern embossed on the lens. (R. 529)

Representatives of one of the other largest fixture manufacturers, Sunbeam Lighting Co., Inc., the defendant herein, also testified. Prior to commencement of the suit against Sunbeam, plaintiff took the deposition of a number of Sunbeam's officers and employees in the *Carolite* case. Since Sunbeam was not involved in any dispute with plaintiff at that time, the statements of these witnesses with respect to K-4, K-5, K-11 and K-12 were unbiased and forthright. At the trial of the consolidated cases the witnesses recanted their prior testimony, but the obvious self-interest motive in changing their testimony prompted the trial court to comment unfavorably upon their trial statements. (R. 747) As noted above, the lower court stated that there was not "any question" that Sunbeam and Carolite recognized that K-4, K-5, K-11 and K-12 "stood for" one of plaintiff's panels. (R. 773-74)

Mr. Ed Lathram of Sunbeam testified at his deposition that the trade symbols K-4, K-5, K-11 and K-12 mean that K-S-H manufactures the lighting panel. (R. 678) Mr. Lathram's responsibility at Sunbeam is the supervision of the preparation of quotations and bids submitted by Sunbeam in response to specifications; he has been long familiar with lighting panels, panel manufacturers, and the trademarks used by panel manufacturers. (R. 631)

The president of Sunbeam, Herbert L. Krieger, testified at his deposition that when he saw or heard the terms K-4, K-5, K-11 and K-12 he would associate them with K-S-H and would know they identify a K-S-H product. (R. 703, 705) The assistant sales manager for Sunbeam

also stated during his deposition that the symbols K-4, K-5, K-11 and K-12 indicate K-S-H. (R. 711) He was certain of this association because of his long experience in the industry and familiarity with these terms. (R. 712) Similarly, the Purchasing Agent for Sunbeam, William Harden, testified that he was familiar with plaintiff, and its product identification symbols having supervised the purchasing by Sunbeam for fourteen years. (R. 736-37) This witness stated that the terms K-4, K-5, K-11 and K-12 would mean K-S-H. (R. 741-42)

The Sunbeam witnesses' testimony indicates clearly that the trade symbols K-4, K-5, K-11 and K-12 were used and known in the industry to identify lighting panels manufactured and sold *only* by plaintiff. This usage is consistent with that of other large nation-wide fixture manufacturers, such as Day-Brite Lighting Products, Inc.

It is almost incredulous that after the series of consistent patent admissions by Sunbeam officers and employees before trial, Sunbeam had the temerity to subsequently deny that plaintiff's trade symbols identified *only* K-S-H lighting panels. The lower court recognized that K-4, K-5, K-11 and K-12 indicated single origin (R. 773-74) and indeed in the face of this overwhelming evidence it could not do otherwise.

To overcome the effect of this testimony, a number of representatives from local fixture manufacturers testified that the terms K-4, K-5, K-11 and K-12 identified only a panel pattern configuration. Specifically, employees and officers testified from Haluk Lighting Company, Wellmade Metal Products Company, Globe Illumination Company, Nu-Lite Fluorescent Manufacturing Company and Acme Lighting and Manufacturing Company. In considering



the testimony of representatives of these companies, small weight can be accorded thereto since each of the companies were supplying Carolite lighting panels in response to orders and specifications using K-4, K-5, K-11 and K-12. (R. 959, 991 and 1022).

If these witnesses had testified that they knew the terms K-4, K-5, K-11 and K-12 to be a designation of plaintiff's panels, they would have admitted in open court that they were palming off Carolite panels on their unsuspecting customers. This was precisely the basis upon which plaintiff was suing Sunbeam as the witnesses were well aware. Thus, these witnesses had a clear self-interest in aiding defendants in establishing that plaintiff's terms were only pattern designations. Their biased testimony that the terms K-4, K-5, K-11 and K-12 do not identify K-S-H panels was of little value in determining the industry recognition for plaintiff's terms. When weighed against the testimony of the representatives from other fixture manufacturers, the evidence shows that fixture manufacturers generally recognize the terms K-4, K-5, K-11 and K-12 as identifying the panels made and sold by K-S-H.

Architects and lighting engineers are undoubtedly the most important group of persons in the lighting industry with respect to the recognition of the terms K-4, K-5, K-11 and K-12. These are the customers who actually specify what product they desire and how they identify such products to obtain what they want is obviously significant. They prepare the specifications from which the fixture manufacturers prepare their bids and which serve as an "order" for the product they desire. Familiarity with the words, terms and symbols used by product manufacturers to identify their products is of utmost importance to the specifiers.

Of course as in any class of customers, there are specifiers who abdicate their responsibilities to the building owners by relying upon fixture manufacturers to choose the best lighting panel to be supplied with the fixture. Their lack of concern for detail, unfortunately, results not only in a disservice to their client but also in testimony which is unrepresentative of their profession.

In the present case, four lighting engineers testified at the trial. In addition, a lighting engineer employed as a general manager of an electrical contractor, Robert E. Kohnen, was deposed by plaintiff in connection with an unapproved substitution by Sunbeam for K-4 lighting panels. This witness stated that K-4 indicates a "KSH acrylic lens" to him. (Plf. Ex. 116, Kohnen Depn., p. 9)

Of the four trial witnesses, Mr. J. S. Hamel testified on behalf of plaintiff. Mr. Hamel has over thirty years of electrical and lighting consulting experience throughout the country. His firm planned and designed the lighting installations for the New York World's Fair in 1964-65. (R. 501) For over ten years he has been the consulting engineer for Walt Disney Productions and performed all of the consulting work for Disneyland, the planned Disneyland in Florida and the Mineral King resort area. (R. 501) In the Los Angeles area his firm has performed the electrical and lighting engineering consulting work on the Los Angeles International Airport, Chavez Ravine Ball Park, numerous buildings at the University of California and the University of Southern California and over eighty schools and industrial installations. (R. 501-02) Mr. Hamel has done design consulting work for various electrical equipment manufacturers, including design of lighting panels and fixtures. (R. 503) His firm has specified K-S-H lighting panels and has approved K-S-H panels on submittals. (R. 503)

This distinguished witness testified that he was familiar with K-S-H and had always known that the trade symbols K-4, K-5, K-11 and K-12 identified products made *only* by K-S-H. (R. 504)

Mr. Fred Cooper, also an electrical and lighting consulting engineer, stated that he was familiar with plaintiff's products and plaintiff's trade symbols. (R. 547) The witness testified that he associated the symbols K-4, K-5, K-11 and K-12 only with products manufactured by K-S-H. (R. 549) On cross-examination, he re-affirmed that these terms identified a particular manufacturer and added that he also knew that the terms designated a panel pattern configuration. (R. 550) Despite insistent questioning, Mr. Cooper stated that he did not use the terms K-4, K-5, K-11 and K-12 to designate pattern only even at the preliminary design stage, since in his experience "the manufacturer of a lens is of considerable importance . . . and hence we do not very lightly make a reference to a lens numbers or a designation, stopping only with the general pattern." (R. 552)

Mr. Henry Simmons, an independent lighting engineer, testified on behalf of Sunbeam. This witness stated that he used "K-numbers" to designate panel pattern configurations when the fee he receives justifies drawing up only a "brief set of specifications." (R. 811-12) According to this witness, he uses a "K-number" to identify the pattern and is not concerned with the panel manufacturer since he relies on reputable fixture manufacturers to choose the panel source. (R. 818, 822-23) Where he has no prior experience with the fixture manufacturer he would require a submittal of the panel performance characteristics. (R. 823) And where he was dubious of the fixture manufacturer, he would require a submittal as to panel source,



or he would explicitly name K-S-H as the source to “protect the owner.” (R. 818, 840) Mr. Simmons was only familiar with three plastic panel manufacturers—K-S-H, Carolite and Sheffield—and admitted he was not “familiar with other or many manufacturers.” (R. 834, 838)

The reason Mr. Simmons had the opinion that K-4, K-5 K-11 and K-12 identified only pattern was, he stated, “because I have used it, seen it used so many times.” (R. 828) He was not aware of *any* other lighting panel manufacturer that used these terms (R. 825), and he was aware that K-S-H had “originated” these terms. (R. 812)

The purport of this witness’ testimony is that while he knew that K-S-H is the *only* manufacturer using the terms K-4, K-5, K-11 and K-12, he had seen and used the terms so much that he did not associate them with plaintiff. He was not familiar with panel makers other than plaintiff and defendant and only cursorily with Sheffield which explains why he relied upon the fixture manufacturers. He knew that when he specified a panel as say, K-5, he received a satisfactory product from the fixture manufacturer, though he didn’t know the panel manufacturer. But probably the most enlightening part of Mr. Simmon’s testimony is that he used a personal system of fixture manufacturer evaluation so as to relieve himself from investigation of lighting panel manufacturers. Thus his opinion as to the function of the trade symbols K-4, K-5, K-11 and K-12 is hardly indicative of the practice of other lighting engineers. In fact, Mr. Simmon’s specifying practices were directly contrary to those of Mr. Cooper whose thoroughness led him to familiarity with lighting panel manufacturers and recognition of their identifying terms since the manufacturer of the panel is of “considerable importance.”

Unlike Mr. Simmons, the other lighting engineer testifying in defendants' behalf, Mr. Root, was familiar with trade journals and plaintiff's catalog and had seen many of plaintiff's advertisements. (R. 865-66) Although he was aware that K-S-H *only* among panel manufacturers used the symbols K-4, K-5, K-11 and K-12 to identify its panels (R. 883), it was his opinion that such symbols designate pattern only. (R. 863) The witness stated that he identified the term P-4 with Rohm & Haas lighting panels (R. 885), and that he knew Carolite used the term C-4. (R. 894) He also associated the term "Pattern 70" with glass lighting panels of a particular pattern made by Corning. (R. 887)

In response to questioning by the Court, Mr. Root stated that if he wanted a panel made by Carolite he would not call for a Carolite K-4, but rather a Carolite C-4 (R. 864). If the witness was of the opinion that the symbol K-4 designated only pattern, the question arises why he would not name the manufacturer—Carolite—and then use that term which he recognizes as the pattern designation—K-4. The only rational basis for using C-4 for one manufacturer's panel and K-4 for another manufacturer's panel is that *the symbol K-4 is associated with and serves to distinguish K-S-H panels*. At once, Mr. Root states that K-4 means only pattern but when he desires that pattern from Carolite he identifies it by another symbol. However doggedly the witness persisted in the opinion that K-4 means only pattern, his conduct belies his words.

With respect to K-5, K-11 and K-12, the witness had *no* experience in using these symbols (R. 884) and would only "*assume*" that these terms indicated pattern. (R. 888) Of course, such testimony is entitled to no weight since the witness has no personal knowledge.

In substance, Mr. Root's testimony was conflicting in effect and demonstrably lacking in familiarity with the function served by plaintiff's symbols K-4, K-5, K-11 and K-12. His statements that these symbols designated only pattern were based upon slight familiarity with the one symbol, K-4, considerable supposition and unwarranted assumption. The manner in which he would use K-4, only with the name K-S-H, evidences that his concept of "pattern" means the pattern of a *particular* and *single* manufacturer. Of course, this is tantamount to a trademark, the function of which is to identify the product of a particular manufacturer.

On balance, the expert testimony weighs heavily in plaintiff's favor. Plaintiff proved that it adopted and began to use the symbols K-4, K-5, K-11 and K-12 with the intent that such symbols identify panels made by plaintiff and only incidentally to designate a pattern. It has been the exclusive lighting panel manufacturer to use such symbols as every witness readily agreed. Most of the trade witnesses recognized that the symbols identified a single source of lighting panels, namely, K-S-H Plastics, Inc.

**4. Defendants Had The Burden Of Proof Of Showing That The Symbols K-4, K-5, K-11 And K-12 Are Generic Terms In The Industry For Designating Pattern Configuration And Failed To Meet Their Burden Of Proof**

The common law has evolved a distinction between two types of trademarks: technical and non-technical. Technical trademarks are letters, words, symbols or terms that are arbitrary, distinctive and fanciful and therefore upon adoption and continuous use the exclusive right to use is immediately acquired. Non-technical trademarks, such as descriptive terms, geographic terms, or surnames are



protected only if they have acquired secondary meaning through substantially exclusive and continuous use for a period of time whereby they indicate a particular source of goods. 3 Callman, *Unfair Competition and Trade-Marks*, Sec. 66.1 (2d ed. 1950).

It is well established that once it is shown that a non-technical trademark has acquired secondary meaning, the scope of protection accorded to it is identical to that of a technical trademark. *Eastern Columbia, Inc. v. Waldman*, 30 Cal. 2d 268, 181 P.2d 865 (1947); *North American Air. Sys. v. North American Aviation*, 231 F.2d 205 (9th Cir. 1955).

It is therefore apparent that the distinction between technical and non-technical trademarks is significant only with respect to the establishment of ownership of the trade symbol, *i.e.*, the exclusive right to use. The party asserting exclusive right to use of a trade symbol must adduce that proof which evidences secondary meaning in order to establish its ownership of a non-technical trademark. On the other hand, title to a technical trademark is proved by simply showing prior adoption of the trade symbol and continuous use thereafter.

Since the present case with respect to the charge of trademark infringement of the symbols K-4, K-5, K-11 and K-12 involves common law trademarks or unfair competition, the law of California applies. *Kemart Corporation v. Printing Arts Research Lab., Inc.*, 269 F.2d 375, 389-90 (9th Cir. 1959).

In cases applying California law the above distinction between the plaintiff's burden of proof, as dependent upon whether the mark asserted is technical or non-technical, is recognized. If the trademark is inherently arbitrary and distinctive, proof of prior adoption and continuous

use of the mark will establish plaintiff's exclusive right to use. Cal. Bus. & Prof. Code, Section 14270; *Eastern-Columbia, Inc. v. Waldman*, 30 Cal. 2d 268, 181 P.2d 865 (1947); *Stork Restaurant, Inc. v. Sahati*, 166 F.2d 348 (9th Cir. 1948). However, if the mark is descriptive or geographic, plaintiff must prove that the mark has acquired a secondary meaning so as to have become distinctive and indicative of a single source of the goods to which it is applied. *Colvig v. KSFO*, 224 Cal. App. 2d 357, 36 Cal.Reptr. 701 (1964); *West v. Lind*, 186 Cal. App. 2d 563, 9 Cal.Reptr. 288 (1960); *Academy of Motion Picture Arts & Sciences v. Benson*, 15 Cal. 2d 685, 104 P.2d 685 (1940); *North American Air. Sys. v. North American Aviation*, 231 F.2d 205 (9th Cir. 1955).

It is plaintiff's position in the present case that the trade symbols K-4, K-5, K-11 and K-12 were arbitrary and distinctive upon their adoption by plaintiff. The evidence clearly shows that, prior to plaintiff's adoption of these terms, the terms were not used by *any* lighting panel manufacturer, lighting fixture manufacturer or other persons or firms in the lighting industry. Indeed, there was no evidence to show that even the numeral portions of these symbols had been used by other lighting panel manufacturers prior to their adoption by plaintiff with the sole exception of the numeral 4 used by another manufacturer at an earlier date.

The decisional law illustrates that a trademark comprising letters or numerals, unless such letters are an abbreviation of the name of the product, are not descriptive and may be arbitrary and distinctive. In *Amoskeag Mfg. Co. v. Trainer*, 101 U.S. 51 (1879) at page 79, it is stated:

"The letters [A.C.A.] themselves do not suggest anything, and require explanation before any meaning can be attached to them."

In 3 Callman, *Unfair Competition and Trade-Marks*, Sec. 73.2, at 1139 (2d ed. 1950) it is stated:

“ . . . it is evident, on analysis, the numerals or letters can actually describe nothing and have no patent connection with the article or its characteristics.”

The test for determining whether a particular trade symbol is descriptive was well stated in *Bliss-Craft of Hollywood v. United Plastics Co.*, 294 F.2d 694 (9th Cir. 1961). This Court stated, at page 700, that the proper test was whether the trade symbol would “convey to a person who had never seen the [product], and who did not know what it was, any idea of its character” or would be “an appropriate term to be used by a person desiring to describe it.” As originally adopted by plaintiff, the symbols K-4, K-5, K-11 and K-12 were entirely arbitrary in identifying a manufacturer and a pattern designation. To a person who had never seen a lighting panel bearing one of these symbols, the symbols would not give any idea of the character of the pattern embossed on the panel nor would such symbol be descriptive of the geometric configuration of the pattern.

If plaintiff's subsidiary use of these symbols was to designate a particular pattern configuration these symbols would only convey to a person familiar with *plaintiff's* product that a particular pattern was embossed thereon. K-4, K-5, K-11 and K-12 did not identify a pattern at the time they were adopted by plaintiff and in fact were entirely meaningless. It will therefore be seen that these symbols, as they were initially used by plaintiff, were *technical* trade marks and were entitled to protection. It was not incumbent upon plaintiff to prove that these arbitrary, non-descriptive, non-geographic and distinctive trade symbols had acquired secondary meaning since the symbols had no primary meaning.



Defendants therefore undertook the burden of showing that K-4, K-5, K-11 and K-12 had been adopted by the entire industry as a pattern designations, *i.e.*, generic symbols, and that it became imperative to use such symbols to conduct their business. The irrefutable evidence, however, establishes that none of the manufacturers which make panels having the same pattern configuration as plaintiff (even Carolite used a colorable imitation) have felt obliged to designate their panels with the symbols used by plaintiff. On the contrary, *every single witness* stated that plaintiff was the exclusive panel manufacturer using K-4, K-5, K-11 and K-12. Defendants only succeeded in showing that several local fixture manufacturers closely related to defendants used these symbols generically and that two Los Angeles lighting engineers do not personally assess the quality of panels and thus depend on the fixture manufacturer. Such evidence falls far short of meeting the burden of proof that the symbols K-4, K-5, K-11 and K-12 are *only* generic pattern designations.

Material to the issue of whether these symbols were pattern designations which other panel manufacturers were *compelled* to use in order to communicate with purchasers, is the testimony and evidence with respect to Sheffield Plastics, Inc. As noted above, the Sales Vice-President of this competitor of plaintiff testified that K-4, K-5, K-11 and K-12 mean a lens manufactured *only* by plaintiff. (R. 235) A Sheffield trade catalog and a box of sample lens with different patterns were introduced in evidence. (Plf. Exs. 40 and 41) Two of the panels made and sold by Sheffield have a pattern configuration identical to that on plaintiff's K-4 and K-5 panels. However, these panels are identified by Sheffield with the symbols SL-56 and SL-87, respectively. (R. 244; Plf. Exs. 40 and 41) Thus, contrary to defendants' protestations, plaintiff's largest lighting panel competitor, Sheffield Plastics, Inc.,

has *not* found it necessary to use plaintiff's terms to designate the pattern configuration.

In fact, of the numerous lighting panel manufacturers which make and sell panels having a pattern configuration identical to that embossed on plaintiff's K-4, K-5, K-11 and K-12 panels, *none* of such manufacturers use the symbols K-4, K-5, K-11 or K-12. (Plf. Ex. 190) Furthermore, only one of these manufacturers, aside from Carolite, use the same numeral in connection with the same panel pattern configuration as the numeral used by plaintiff. (Plf. Ex. 190)

It is apparent from the above discussion that defendants have entirely failed to meet their burden of proving that the symbols K-4, K-5, K-11 and K-12 are generic pattern designations. Since these symbols were not previously used, in any manner, prior to plaintiff's adoption and first use thereof, they were trademarks, and their source identifying function has not been subsequently impaired. The symbols have not been used in the trade as a generic pattern designation by lighting panel manufacturers or a preponderance of lighting fixture manufacturers or specifiers, and in fact, the evidence demonstrated the source identifying function of the symbols.

**B. Sunbeam Has Palmed Off Lighting Panels On Customers By Supplying Carolite Lighting Panels, Without Approval, When Plaintiff's Panels Were Specified**

The law of unfair competition has long extended protection to the public against palming off. This was most recently reiterated in *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 74 S.Ct. 779 (1964) where it was stated at 376 U.S. 238:

"A State of course has power to impose liability upon those who, knowing that the public is relying

upon an original manufacturer's reputation for quality and integrity, deceive the public by palming off their copies as the original."

Palming off occurs when a customer requests goods made by a particular manufacturer, usually by use of the manufacturer's trade symbol, and is supplied with other goods without his knowledge or approval. To effect the unauthorized substitution, the dealer must be provided with goods identical to those that the customer requests and the dealer is oftentimes encouraged by the substitute manufacturer. In this light, the conduct of Sunbeam and Carolite, though part of a single scheme, will be discussed separately, in the respective briefs.

The tort of palming off by a third party or dealer is defined as the unauthorized substitution of the goods of one manufacturer when the goods of another are requested by the customer. As stated in *N. K. Fairbanks v. Dunn*, 126 Fed. 227, 228 (C.C.N.D. N.Y. 1903):

"The merchant, by assuming to fill the order, represents that the goods put up and delivered are those ordered. The law is too well settled on this subject to require extended quotation. The manufacturer of an article placed upon the market for sale has the right to demand of the dealer who purports and advertises to sell it that he deliver his product when called for by the customer."

In *Penn Oil Co. v. Vacuum Oil Co.*, 48 F.2d 1008 (D.C. Cir. 1931), the Court stated at page 1010:

"The unauthorized and undisclosed substitution of one article of sale for another is familiar ground for injunction against the seller."

And in *Singer Mfg. Co. v. Cohen*, 171 F.2d 266, 268 (7th Cir. 1948), the Court stated:



“When one orders parts by name of manufacturer, number, and description, he has a right to have his order filled as given, and if substitutions are made in circumstances calculated to lead the purchaser to believe he is getting what he orders when he is not, it is not only fraud upon the purchaser but also upon the manufacturer of the goods ordered for which the substitution was made. This was palming off, thinly disguised.”

Accord: *Upjohn Co. v. Katz*, 116 U.S.P.Q. 578 (S.D. N.Y. 1958); *Vehicle Apron & Hood Co. v. American Tire & Rubber Co.*, 193 Fed. 372 (C.C.N.D. Ill. 1912); *Enoch Morgan's Sons Co. v. Wendover*, 43 Fed. 420 (C.C.D. N.J. 1890).

These cases disclose that to prove palming off it must be shown that: (1) goods manufactured by plaintiff were requested; (2) goods manufactured by another were substituted; and (3) the customer did not approve or authorize the substitution.

It is clearly established that it is not necessary to show that the plaintiff's goods were requested by use of a technical trademark. In the case of *Wililam R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 44 S.Ct. 615 (1924) involving a suit by one manufacturer against a second manufacturer for enabling retailers to palm off products having identical appearances, the Court stated at pages 531-32:

“The manufacturer or vendor is entitled to the reputation which his goods have acquired and the public to the means of distinguishing between them and other goods; and *protection is accorded against unfair dealing whether there be a technical trademark or not*. The wrong is in the sale of the goods of one manufacturer or vendor as those of another.” (Emphasis added)

While product appearance can no longer serve as the identifying symbol for one manufacturer's product, *Compco*

*Corp. v. Day-Brite Lighting Inc.*, 376 U.S. 234, 84 S.Ct. 779 (1964), protection against palming off was explicitly preserved in the *Compco* case, at least when the product is ordered by means other than appearance.

The requisite showing is simply that the customers requested plaintiff's product, as evidenced by the use of some term or trade symbol which identifies plaintiff. Obviously, the term used by the customer may be a technical trademark or a non-technical trademark so long as the symbol functions to identify plaintiff as a source. *Ross-Whitney Corp. v. Smith, Kline & French Lab.*, 207 F.2d 190 (9th Cir. 1953).

In a number of cases, defendants have raised the defense that the term by which the goods are requested was generic and therefore did not refer to a particular manufacturer. But where the term was found to indicate a particular brand, courts have unhesitatingly enjoined the unfair competition. *Winthrop Chemical Co. v. Weinberg*, 60 F.2d 461 (3d Cir. 1932); *Barnes v. Pierce*, 164 Fed. 213 (C.C.S.D. N.Y. 1908). In *Coca Cola Co. v. Boas*, 27 F.2d 756 (D. Idaho 1928) the defendant argued that customers calling for Coke, rather than Coca-Cola, were not requesting plaintiff's product since this term was not a trade-mark (at that time). The Court rejected this defense observing that the term was a well-known nickname for plaintiff's beverage and stated at page 758:

“Under such circumstances the courts apply the established principle that, where the general public has given to one's product another name, such as “Coke”, or any other nickname, and by which it is known to the trade, and another, upon calls of customers for “Coke”, or such nickname, serves a product other than the former's, he is then passing off his product as that of another, and in doing so the public

is deceived as to the article purchased, and protection by injunction will be granted one whose rights are so infringed upon, as such conduct is regarded as competing unfairly."

In the case of *Coca-Cola Co. v. Scrivner*, 117 U.S.P.Q. 394 (S.D. Cal. 1958), a factually analogous situation was presented involving the palming off of another beverage, identical in appearance to that made by plaintiff, as that of plaintiff, when customers requested plaintiff's product by the marks Coca-Cola or Coke. As in most cases of palming off, the product was not delivered to the customer in its original container and therefore the purchaser was unable to discern that it was a different product. See, *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 530, 44 S.Ct. 615, 617 (1924). Of course, the same situation prevails in the present case where the panels are supplied with the lighting fixture and not in the panel manufacturer's containers *and the substituted panels are not marked*. The court enjoined defendant from such substitution unless authorization was first obtained from the purchaser. Accord: *Coca-Cola Co. v. Bisignano*, 145 U.S.P.Q. 375 (S.D. Iowa 1965); *Coca-Cola Company v. Foods, Inc.*, 220 F.Supp. 101 (D.S.D. 1963); *Coca-Cola Co. v. Armbruster*, 136 U.S.P.Q. 263 (D. Kansas 1963); *Coca-Cola Co. v. Kendzie*, 133 U.S.P.Q. 93 (N.Y. Sup. Ct. 1962).

It is plaintiff's position that the present case is factually and legally analogous to the "pharmacist cases", such as *Winthrop Chemical Co. v. Weinberg*, 60 F.2d 461 (3d Cir. 1932). These cases can be compared with the present case as follows: Doctors [lighting engineers] prescribed in writing [specified] in behalf of patients [building owners] a drug [lighting panel] made and sold by a particular manufacturer [plaintiff] and designated by a trade symbol K-4, K-5, K-11 or K-12. This demand was transmitted



to a pharmacist [Sunbeam] who supplies this commodity. But the pharmacist [Sunbeam] procures an almost indistinguishable drug [lighting panel] from another manufacturer and foists this upon the patient [building owner] and doctor [lighting engineer] without informing them [obtaining approval] of the substitution.

It will be noted that in the pharmacist cases, as here, the request is made in writing by an expert who is qualified to prescribe the product necessary for the consumer. And here, as in the pharmacist cases, the practice of substitution without approval should be enjoined where it is established that the goods requested are those manufactured by plaintiff and Sunbeam has admitted substituting without approval. (R. 660)

In the preceding section, it was shown that the trade recognizes the symbols K-4, K-5, K-11 and K-12 as identifying a lighting panel made by K-S-H Plastics, Inc. Architects and lighting engineers have therefore used these trade symbols alone in their specifications to order plaintiff's lighting panels. And Sunbeam's officers and employees have testified that it has substituted Carolite's indistinguishable lighting panels, without authorization, in response to such requests. (R. 605, 691-92) Moreover, Sunbeam counsel agreed to stipulate that Sunbeam indulged in such unapproved substitutions. (R. 658-60)

Thus, it is clear that Sunbeam has perpetrated fraud upon the specifiers by palming off a substitute product, without authorization, which is unfair competition. The lower court properly found palming off where the specification identified the panels with the term K-S-H. It should have held the same where the panels were identified only by K-4, K-5, K-11 or K-12. The court erred because it erroneously believed that plaintiff could have no exclusive right to trade symbols which comprise a letter-numeral combination.

We urge that this Court correct this error and thereby provide protection for specifiers upon whom Sunbeam has preyed.

## CONCLUSION

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The trade recognizes that the symbols K-4, K-5, K-11 and K-12 identify lighting panels manufactured only by plaintiff. Consequently, specifiers have used these trade symbols to demand plaintiff's products. Sunbeam, however, has substituted indistinguishable panels manufactured by other than plaintiff. It has not advised the customers of this substitution, nor has it sought approval or authorization for the change. This is palming off, clear and simple.

We respectfully urge that the judgment be reversed.

Respectfully submitted,

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**C E R T I F I C A T E**

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

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## **APPENDIX**





## APPENDIX

ent	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
Transcript			
Trademark Reg. No. 639,495	1	13	14
TE Trademark Reg. No. 687,973	2	14	14
ulation of Facts; SH and Carolite	3	67	85
l, 3-ring catalog ue green) of KSH	4	77	78
grey catalog of KSH 61) (thick)	5	77	79
grey brochure of KSH 58) (thin)	6	86	88
green brochure of KSH	7	89	89
K-3 catalog page old/black) of KSH	8	90	91
atalog page (gold/black) of KSH	9	90	91
catalog page (gold/black) KSH	10	90	91
advertisement page (K-11)	11	90	99
advertisement page (K-12)	12	99	99
advertisement page (K-Pans)	13	99	99
advertisement page (Tedlar)	14	99	99
advertisement page (Tedlar)	15	99	99
advertisement page (K44)	16	99	99
advertisement page (K33)	17	99	99
advertisement page (Quality)	18	99	99
advertisement page pecification)	19	99	99
advertisement page pecification)	20	99	99
advertisement page (Quality)	21	99	99

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Recei Evid. Recon Page
<u>Trial Transcript</u>			
KSH advertisement page (Quality)	22	99	
K-No. Lens Swatches on chain	23	100	
Specification Diagram	24	117	
Notice of Publication K-11	25	120	
Notice of Publication K-12	26	120	
Official Gazette TM p. 251	27	120	
K-5 lens sample with K-Lite marking	28	120	
Notice of infringement ltr 4/21/65	29	120	
Chart (West Coast) on sales	30	130	
Day Brite Buyer's Guide	31	102	
Columbia catalog (earlier than defendants)	32	104	
PALCO catalog	33	104	
Sunbeam Account Balance Sheet	34	202	
KSH Quotation dated 2/25/66 (9910)	35	202	
KSH Quotation dated 3/1/66 (9915)	36	202	
KSH Quotation dated 3/11/66 (9953)	37	202	
KSH Quotation dated 3/11/66 (1153)	38	202	
KSH Quotation dated 3/31/66 (10174)	39	202	
Sheffield Data File (blue)	40	202	
Sheffield Plastic Samples in box	41	202	
Globe letter 11/10/64	42	335	
Globe order #7192	43	335	
Globe order #7169	44	335	
Globe order #7291	45	335	
Invoice Nat'l Wholesale Elec. Co. G 11724	46	335	
Invoice Action #1161	47	335	
Freeman order No. 14615	48	335	
ESI Fixture Survey 2727 (Charter Oaks)	49	335	

ent	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
<u>Transcript</u>			
Fixture Survey 2990 (at'l Gypsum)	50	335	349
Fixture Survey 2627 (onsen Hydraulic)	51	335	349
Fixture Survey 2696 (A. Trade Tech. College)	52	335	349
lite sample lens on key chain	53	388	
2/27/62 Carroll to Roehlen	54	390	391
sample sent with 2/27/62 (hexagonal)	55	390	391
0/3/62 Roehlen to Carroll	56	390	394
3/3/63 Carroll to Roehlen	57	390	397
len invoice	57 A	390	397
sample sent with 6/3/63 ltr (uver)	58	390	397
o 2/3/64 Carroll to Roehlen	59	390	398
sample sent with 2/3/64 memo (amond)	60	390	400
2/27/64 Carroll to Roehlen	61	390	401
0/9/64 Carroll to Roehlen	62	390	403
2/28/63 ITL to Carroll	63	406	408
2/6/63 Carroll to ITL	64	406	411
2/10/63 ITL to Carroll	65	406	413
2/17/63 Carroll to ITL	66	406	414
2/31/63 Carroll to ITL	67	406	415
o 3/3/64 ITL to Carroll	68	406	419
ltr 3/5/64 Carroll to ITL	69	406	421
2/24/64 Carroll to ITL	70	406	422
2/27/64 Carroll to ITL	71	406	423
1/10/64 Carroll to ITL	72	406	424
test reports	72 A	406	425
lite Catalog (gold vinyl cover)	73	406	427

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Rece Evid Recc Page
<u>Trial Transcript</u>			
Wellmade Orders Nos. 6482, 5988, 6409 and Carolite invoices 0794 and 2061	74	417	
Nulite Orders Nos. 1704, 9719, 9732, 1820, 1833 and 0348	75	417	
Nulite Order 0183 and Carroll Inv. 0871	76	417	
Nulite Order 4485 and Carroll Inv. 0678	77	417	
Nulite Order 0362 and Carroll Inv. 00523	78	417	
Nulite Order 4356 and Carroll Inv. 0477	79	417	
Nulite Order 4376 and Carroll Inv. 0521	80	417	
Ltr 6/25/65 Butler to Carolite	81	417	
Smoot Holman Order No. 91430	82	417	
Sechrist Order 6/17/65 and Carolite Invoice 2344	83	417	
Globe Order 5241 and Carolite Invoice 1442	84	417	
Globe Order 5001 and Carolite Invoice 1201	85	417	
Globe Order 5031 and Carolite Invoice 1182	86	417	
Globe Order 4569 and Carolite Invoice 0717	87	417	
Globe Order 4493 and Carolite Invoice 0629	88	417	
Globe Order 4220	89	417	



Exhibit	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
Transcript			
Siegel Order (10 sheets)	90	417	443
st Order 1/25/65	91	417	444
18/64 Carroll to mercial Reflector	92	444	445
ghouse correspondence (sheets)	93	444	446
ce Plastic correspondence (sheets)	94	444	447
ade correspondence (sheets)	95	444	451
24/64 Carroll to Day Brite	96	444	452
ts; 1/7/64 ltr; 2nd page of r	97	444	453
27/64 Carroll to du Pont	98	444	458
19/65 Carroll to du Pont	99	444	459
e for C-12 Tedlar	100	444	459
from July LIGHTING ad (rolite)	101	444	465
ary 1965 LIGHTING ad (rolite)	102	444	465
ample Scissor Curve Sheet	103	431	431
etters; 9/25/63 Spensley Carolite	104	444	468
3 ltr contract K-D and JWC	105	444	469
d A. Glass Deposition	106	566	571
L. Church Deposition	107	567	571
H. Evans Deposition	116	573	573
n Deposition	117	573	573
ng Fixture Specifications (sheets)	118	577	577
act Special Conditions stitution) (2 Sheets)	119	577	577

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Rec Evid Rec Pag
<u>Trial Transcript</u>			
Sunbeam Drawing 24553D "QK4A" (9/10/63)	120	577	
Sunbeam Drawing 24313 "QK4S" (6/13/63)	121	577	
Sunbeam Catalog Pages (2 Sheets)	122	577	
GE Invoice 34177B dated 6/23/64	123	577	
GE Invoice 41910B dated 10/26/64	124	577	
GE Invoice 48707B dated 3/3/65	125	577	
Sunbeam Memo 8/19/64 (3 Sheets)	126	577	
Hopper Truck Letter 8/10/64	127	577	
Letter 11/5/64, Kohnen to GE	128	577	
Letter 1/26/65, Lathen to GE	129	577	
Letter 2/22/65, Kohnen to GE (2 Sheets)	130	577	
Letter 3/11/65, Kohnen to GE	131	577	
Unmarked carton for replace- ment panels	132	577	
Photos of carbon	132 A	577	
Lens found in unmarked carton	133	577	
Howard PO 1046A (3 Sheets)	134	577	
GE Invoice 44411B dated 12/14/64	135	577	
Carolite Invoice 0665 dated 11/23/64	136	577	
Sunbeam PO 52869 dated 11/12/64	137	577	
Letter, dated 8/18/65, Matloff to Plastics Specialties	138	582	
Letter, dated 9/10/65, Plastic Specialties to Matloff	139	582	
Letter, dated 9/14/65, Matloff to Plastic Specialties	140	582	
Letter 9/23/65, Stahlhut to Matloff	141	582	

at	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
<u>Manuscript</u>			
m Order 50593 (5/18/64) arolite "K4 Acrylic"	142	585	585
nvoice 14164 (5/18/64) unbeam "K-4"	143	586	586
nvoice 14305 (5/29/64) unbeam "K-4"	144	586	586
m Drawing 24553E 0/63) "QK4A 3434-48RS"	145	587	588
der dated 11/16/64 4A3432"	146	592	593
Survey LM2-12862-C, Kaiser Sheets)	147	671	672
12/30/65, Lathram to ey, Sexton, and etc.	148	688	688
m Order 2/7/64 (\$18.92) 49541	149	743	744
m Order 5/3/66	150	743	745
Deposition	151	760	760
och Deposition	152	760	760
ns Affidavit	153	840	
der 7739-29901D	154	881	881
e swatch of n-Haas P-4	155		895
catalog	156	911	912
ages from Sunbeam e list with "Guarantee"	157	1106	1107
Carroll Deposition	165	1132	1132
Carroll Deposition	166	1132	1133
d Carroll Deposition	167	1133	1135
Wellen Deposition d 11/29/65	168	1135	1136
Wellen Deposition d 1/25/65	169	1136	1136

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Rec Evid Rec Pag
<u>Trial Transcript</u>			
West Coast Lithograph Invoices dated 10/8/63 and 10/9/63 (C-55)	170	1137	
West Coast Lithograph Invoices 12/24/64 (C-12)	171	1137	
West Coast Lithograph Invoices dated 3/19/65 (C-12)	172	1137	
West Coast Lithograph Invoice dated 3/13/65 (C-12 Frameless)	173	1137	
West Coast Lithograph Invoices dated 3/23/65 (C-12)	174	1138	
West Coast Lithograph Invoices dated March 19, 1965 (C-11)	175	1138	
West Coast Lithograph Invoices dated 3/19/65 (C-11)	176	1138	
West Coast Lithograph Invoices dated 1/29/65 (C-4)	177	1138	
West Coast Lithograph Invoices dated 3/19/65 (C-4)	178	1139	
Wendell Vaughn Deposition	179	1139	
Herbert Krieger Deposition	180	1141	
Sol Matloff	181	1144	
KSH Box 1 x 4' Stamped with big K-12	182	1145	
Xerox copy of LC catalog with "21-" designations	183	1147	
Hobnail sample	184	1152	
K-Lux brochure	185	1153	
Honeycomb sample	186	1156	
Stahlhut article in 11/64 issue of Light and Lighting	187	1157	
Frameless sample of Carolite	188	1159	
Frameless sample of KSH	189	1159	



	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
Manuscript			
Conf. pattern sheet			
Identification marks)	190	1163	1164
Trade brochure	191	1167	1168
Trade catalog	192	1167	1168
Trade catalog	193	1170	1172
Haas—Price List			
P-5, P-7	A	26	27
of Corning 70 Glass	B	28	
Ex sample	C	34	38
Catalog Sheet			
Page brochure)	D	34	38
Chain (only K-11 sample)	E	36	
Chain (only K-12 sample)	F	39	39
Piece of stamped Holsphane	G	40	
Back	H	45	84
Back front (glass)	I		46
Over KSH catalog (current)	J	49	
Over KSH catalog (Blue Green)	K	49	
Very early KSH Catalog	L	49	
on Carolite from PS	M	144	
on Carolite from PS	N	144	
on Carolite	O	144	
on Carolite	P	144	
on Carolite	Q	144	
ia Catalog	R	148	
ia Catalog Sheet	S 1	148	
te Catalog	S 2		
ia Catalog	R		161
ia Catalog Sheet	S 1		163
te Catalog	S 2		163

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Rec Evid Rec Pag
<u>Trial Transcript</u>			
Corning Catalog	T		
Sinco Catalog	U		
K-Lite Ford Ad with "K-5 pattern", no date	V	173	
K-Lite Place Villa ad with "K-5 pattern", no date	W		
K-Lite (Plas. Spec.) price list "Type K-2" (K-Lite pattern)	X		
Sunbeam Purchase Order 6/4/65 (Sacramento)	Y		
Luminous Ceiling brochure pages (Series B)	Z	267	
Luminous Ceiling brochure pages (Series V)	AA	267	
Luminous Ceiling brochure pages (Series R)	AB	272	
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Luminous Ceiling brochure pages	AD	272	
Acme Ltg Catalog	AE	276	
Nat'l Order to Nulite (says only K-5, without "KSH")	AF	374	
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JWC Invoice	AJ	472	
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San Clemente Elem. School	AL	697	
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Norco Elem. School	AO	697	
KSH Price List with "F Nos."	AP	722	
Sunbeam Photometric Chart for "K-11 pattern"	AQ	723	

ent	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
ranscript			
am Photometric Chart for WPCXA"	AR	723	727
am Dwg with approval note LA Trade job	AS	728	
am Order dated 6/4/65 5265	AT	751	
66 TWX Sunbeam to KSH ld for release"	AU	753	
ons Affidavit	AV		847
ase card for Globe fix 12 pattern)	AW	921	927
s Dep'n	AX		940
ut Dep'n (10/26/65)	AY		941
Dep'n	AZ		941
Dep'n	BA		942
s Dep'n	BB		943
pal Dep'n	BC		944
e Dep'n	BD		944
n Dep'n	BE		945
ner Dep'n (with exhibits)	BF		948
LBM 24RD	BG		1056
XL-12-240-RS-AG-DF K-11 . . ne as in catalog)	BH		1056
QPCXA 9204-48RS-118v WCK	BI		1060
e on Illumination	BJ	1087	1089
panel (Sunbeam 7400)	BK	1094	1095
Answers to Sunbeam's interrogs	BL	1118	1126
Affidavit in M/Prelim. Inj.	BM		1128
en Dep'n	BN	1129	1130
rom Kohnen Dep'n	BO	1129	1130
s of Box	BP		1130





No. 22049

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In the  
**United States Court of Appeals**  
FOR THE NINTH CIRCUIT

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K-S-H PLASTICS, INC., a Missouri corporation,  
*Appellant,*  
vs.

CAROLITE, INC., a California corporation, and  
J. W. CARROLL & SONS, a California corporation,  
*Appellees.*

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**APPELLANT'S OPENING BRIEF**

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FILED

NOV 13 1967

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One North LaSalle Street  
Chicago, Illinois 60602  
Attorneys for Appellant

NOV 15 1967



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IN THE  
UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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**No. 22049**

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K-S-H PLASTICS, INC., a Missouri corporation,  
*Appellant,*  
*vs.*

CAROLITE, INC., a California corporation, and  
J. W. CARROLL & SONS, a California corporation,  
*Appellees.*

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**APPELLANT'S OPENING BRIEF**

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**STATEMENT OF PLEADINGS AND  
JURISDICTIONAL FACTS**

**A. Statement of the Pleadings**

Plaintiff, K-S-H Plastics, Inc. (hereinafter referred to as "plaintiff") filed an action against defendant, Carolite, Inc. (hereinafter referred to as "Carolite") for infringement of the registered trademark K-LITE and for unfair competition by infringement of the common law trademarks, K-4, K-5, K-11 and K-12 and contributory palming off. The complaint alleged jurisdiction based upon 28 U.S.C. 1338, and upon diversity of citizenship and 28

U.S.C. 1332. Thereafter, upon order of the court (Vol. II, R. 2)\* an amended complaint (Vol. II, R. 4) was filed alleging the same facts with respect to an additional defendant, J. W. Carroll & Sons (hereinafter referred to as "Carolite").

The amended complaint alleged that plaintiff manufactures and sells plastic lighting panels used in fluorescent lighting fixtures and uses the term K-LITE in connection with the sale of such lighting panels. Carolite also manufactures and sells plastic lighting panels and uses the term CAROLITE in connection therewith.

The amended complaint further alleged that plaintiff's lighting panels are embossed with different prismatic pattern configurations and that the terms K-4, K-5, K-11 and K-12 are used in connection with panels bearing four different patterns. Carolite makes and sells lighting panels having pattern configurations identical to those on plaintiff's panels and uses the symbols C-4, C-55, C-11 and C-12 in connection therewith.

The amended complaint further alleged that Carolite, unlike plaintiff, did not mark its identical lighting panels with any mark, symbol or term to identify the manufacturer and that Carolite thereby enabled and abetted others in palming off Carolite panels upon unsuspecting purchasers who demanded plaintiff's lighting panels.

Finally the amended complaint alleged that Carolite adopted a similar catalog to that used by plaintiff and

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\* The Record comprises ten volumes, volumes three through ten containing the testimony at the trial. References to volume two are identified as "Vol. II, R. ...." Volume I is the record in the *Sunbeam* case. The remaining volumes with consecutive pagination are identified only by page reference numeral, thus "R. ...."



employed other acts as part of an intentional predatory plan to appropriate plaintiff's good will.

Carolite answered admitting use of the term CAROLITE but denying infringement; denying that plaintiff had any exclusive right to use the terms K-4, K-5, K-11 and K-12; admitting that it made and sold lighting panels having patterns similar to those of plaintiff; denying that the symbols C-4, C-55, C-11 and C-12 will cause or are likely to cause confusion; and denying any plan to appropriate plaintiff's good will. (Vol. II, R. 13) Affirmative defenses were also raised by Carolite and counterclaims for declaratory judgment and trade libel and disparagement were filed.

The Findings of Fact and Conclusions of Law adopted by the Court below were prepared by counsel for Carolite after the Court refused the proposed Findings of Fact and Conclusions of Law submitted by Plaintiff.

## **B. Jurisdiction of the District Court and of the Court of Appeals for the Ninth Circuit**

### **1. Jurisdiction of the District Court**

Jurisdiction was based upon Section 1121 of Title 15 and Section 1338 of Title 28 of the United States Code. The lower court found that it had jurisdiction over the parties and the subject matter. (Vol. II, R. 46)

### **2. Jurisdiction of the Court of Appeals**

Judgment was entered for plaintiff in part and in part for Carolite on May 4, 1967 (Vol. II, R. 48) Jurisdiction on appeal is based upon Section 1291 of Title 28 of the United States Code and upon plaintiff's notice of appeal filed on May 31, 1967. (Vol. II, R. 50)

## STATEMENT OF THE CASE

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### A. Summary of the Facts

#### 1. Plaintiff's Business and Products

K-S-H Plastics, Inc. began to manufacture plastic lighting panels in 1958 and has continued to make and sell such panels throughout the United States for the last eight years. Finding of Fact No. 4, Vol. II, R. 40) In May, 1958 plaintiff produced an extruded plastic prismatic lighting panel having a pyramidal pattern embossed thereon and identified as K-4. (Finding of Fact No. 13, Vol. II, R. 42) Prior to this time plaintiff had produced other prismatic lighting panels having different patterns embossed thereon and identified with the symbols K-2 and K-3. (Plf. Ex. 6) At the time the K-4 panel was introduced, plaintiff began to use the trademark K-LITE and this mark was registered in the United States Patent Office on November 10, 1959 bearing Registration No. 687,973, which registration is in full force and effect. (Finding of Fact No. 10, Vol. II, R. 41)

In March, 1959 plaintiff introduced a panel having a hexagonal embossed pattern and identified this panel with the mark K-5. Plaintiff continued to expand its product line of plastic prismatic lighting panels by the introduction of a new and distinctive egg-crate (louver) pattern in January, 1963 identified with the trade symbol K-11. (Finding of Fact No. 13, Vol. II, R. 42) The pattern embossed on the K-11 panel was designed and originated by Mr. Stahlhut, the senior vice-president of K-S-H Plastics, Inc. Thereafter, Mr. Stahlhut originated another unique diamond pattern embossed on a prismatic panel which was brought on the market by plaintiff in

October, 1963 and identified as K-12. (Finding of Fact No. 13, Vol. II, R. 42) Each of the patterns were engineered to give precision lighting panels having certain lighting characteristics.

During this period of time other lighting panel patterns were devised by K-S-H Plastics Inc. but for various reasons were never introduced on the market. (R. 97) Moreover, in early 1963, plaintiff began to direct its marketing efforts towards architects and lighting engineers and for this purpose identified its superior quality panels with the trademark K-LITE and relegated panels having other patterns to a second line of products. (R. 88 and 97) Consequently, although plaintiff generally designated its panels with consecutive alphanumeric designations, those panels which were admitted into the K-LITE line were non-consecutively numbered, the omitted numbers being included in a line called ECONO-LITE. (R. 97) Furthermore, some of the earlier lighting panels, such as K-2 and K-3, were obsoleted and were thus dropped from the K-LITE line. (R. 90)

In introducing the K-5 lighting panel, plaintiff began to procure its embossing rolls from Roehlen Engraving Works located in Rochester, New York. (R. 115) To obtain these embossing rolls, plaintiff submitted engineering drawings describing the patterns and providing for the necessary tolerances and other technical information required to engrave an extrusion pattern roll. Since that time plaintiff has continued to submit its original pattern designs to this engraver for the preparation of embossing rolls, although it has obtained embossing rolls from other engravers. (R. 115)

Anticipating the introduction of a new catalog to be used in marketing plaintiff's K-LITE lighting panels, plaintiff began to obtain lighting panel tests in the form

of photometric reports from an independent testing laboratory in September, 1962. (R. 94; Plf. Ex. 4) These tests were conducted by Independent Testing Laboratories, Inc. (ITL) located in Denver, Colorado (R. 94) Subsequently, plaintiff has continued to use this testing laboratory for all of the photometric testing conducted on the various new prismatic lighting patterns it has introduced. (Plf. Ex. 4)

These test results in the form of separate pages were incorporated into a new catalog which plaintiff began to distribute in early 1963. (R. 92) This catalog contained a description sheet for each of the different panels followed by a series of full page reproductions of ITL test reports. (Plf. Ex. 4) Since plaintiff had been, and intended to continue, introducing new prismatic lighting panels on the market, the new catalog comprised a three-ring loose leaf notebook. (Plf. Ex. 3) While such notebooks, of course, were in common usage, they had not previously been used by extruded plastic lighting panel manufacturers and the form of the catalog was consequently distinctive. Prominently displayed throughout plaintiff's catalog were the trade symbols it used to identify its various lighting panels having different embossed patterns making up the K-LITE line. (Plf. Ex. 3) The complete K-LITE line, as illustrated in plaintiff's catalog, presently includes the K-4, K-5, K-11, K-12, K-33 and K-44 lighting panels. (Plf. Ex. 4) The latter lighting panels are identified with the trade symbols K-33 and K-44 even though they have the *same* pattern embossed thereon as the K-12 panel. Furthermore, colored lighting panels having the same pattern, are also designated by the term Hobnail. (R. 1152-53 and 1155; Plf. Exs. 184 and 185) And the lighting panel designated K-88 has *no* pattern embossed thereon. (R. 1155; Plf. Ex. 10)



A new concept in lighting panels was introduced by plaintiff in December, 1964. To cope with the industry problem of preventing discoloration of the plastic panels, plaintiff began to coat its panels with "Tedlar", a poly-vinyl film manufactured and commercially sold by E. I. duPont de Nemours & Company. (R. 1172-73; Plf. Ex. 4) The advantages of Tedlar coated lighting panels were extolled by plaintiff in its magazine and catalog advertising. (Plf. Exs. 3, 14 and 15)

Plaintiff has spent considerable sums of money for advertising and sales promotion of its plastic prismatic lighting panels. (R. 99) Plaintiff's representatives have carried on sales promotion by personal contact with architects and lighting engineers. (R. 119) These customer calls serve to acquaint these persons with the performance characteristics and manufacturing quality of plaintiff's lighting panels and to convince these persons to specify plaintiff's products. (R. 119) In order to maintain a reputation for quality lighting panels which require premium materials and precision manufacturing techniques, plaintiff has engaged in materials research to determine the best quality of raw materials. It has also established a production research group in 1961 and has continually expanded to assure that quality control standards are maintained. (R. 110-14; Plf. Ex. 4)

## **2. Carolite's Business and Products**

Defendants, J. W. Carroll & Sons and Carolite, Inc., are manufacturers of plastic lighting panels and are in direct competition with plaintiff. J. W. Carroll & Sons had been engaged in the manufacture of shaped lighting panels for a number of years and in September, 1962 took steps to enter the field of flat prismatic lighting panels. At this time, defendant J. W. Carroll & Sons contacted Roehlen Engraving Works in Rochester, New York and

submitted a sample portion of a lighting panel and requested an embossing roll for producing a panel having a pattern similar to the pattern on plaintiff's K-5 lighting panel. (R. 391; Plf. Ex. 5) Since Roehlen Engraving Works had prepared the tooling for engraving a roll having a hexagonal pattern, it was able to comply with the request of J. W. Carroll & Sons and in fact the roll was engraved from the engraving tool paid for by K-S-H Plastics, Inc. (R. 395) J. W. Carroll & Sons began production of lighting panels having this hexagonal pattern in April, 1963 and designated the panel as C-55. (Finding of Fact No. 14, Vol. II, R. 42-43) Shortly thereafter, defendant, J. W. Carroll & Sons, approached Independent Testing Laboratory, Inc. and had this laboratory prepare photometric tests for this lighting panel which were submitted on test reports having the same format as those received earlier by K-S-H Plastics, Inc. (R. 405; Plf. Ex. 73) and to aid in development of their products.

In January, 1964 J. W. Carroll & Sons introduced a second lighting panel having an egg crate pattern identical to that previously manufactured and sold by plaintiff and no one else) and designated this panel C-11. (Finding of Fact No. 14, Vol. II, R. 42-43) A panel having a diamond pattern identical to the lighting panel sold by K-S-H under the mark K-12 was introduced by defendant J. W. Carroll & Sons in June, 1964 and designated C-12. (Finding of Fact No. 14, Vol. II, R. 42-43)

The principals of the J. W. Carroll & Sons company formed the defendant, Carolite, Inc., in August, 1964 which thereafter introduced a lighting panel having a pyramidal pattern and identified such panel with the symbol C-4. This panel has a pattern identical to the pattern on the K-4 panel introduced by plaintiff in 1958. (Finding of Fact No. 14, Vol. II, R. 42-43)

In connection with the sale of its flat prismatic lighting panels, J. W. Carroll & Sons began to use the trademark Carolite in April, 1963. (Finding of Fact No. 11, Vol. II, R. 41)

The embossing rolls for the four lighting panel patterns manufactured by Carolite have been obtained from Roehlen Engraving Works and of course each was introduced on the market subsequent to plaintiff's manufacture and sale thereof.

In marketing its line of prismatic lighting panels, Carolite began using a three-ring loose leaf notebook in which was contained a specification sheet for each lighting panel pattern followed by a series of test reports obtained from Independent Testing Laboratory. (Plf. Ex. 73) The format for Carolite's catalog was designed by an industrial designer and Mr. Wellen, president of Carolite, Inc., while reviewing plaintiff's and other lens manufacturer catalogs. (R. 427 and 429) The lighting panels manufactured and sold by Carolite are not arranged in the catalog in accordance with their introduction on the market but are arranged identical to that of plaintiff's catalog. (Plf. Ex. 73) Furthermore, Carolite was manufacturing and selling its lighting panels for many months prior to reviewing its advertising and promotional material as well as the test reports.

Subsequent to plaintiff's introduction of Tedlar coated panels on the market, Carolite began to advertise that such panels were immediately available. In fact, however, it was three months thereafter before Carolite had the capability of providing such panels and the first sale was seven months thereafter. (Plf. Ex. 102; R. 459 and 461)

### 3. Palming Off By Carolite

The question of whether Carolite was guilty of unfair competition by palming off involved two types of specifications (i.e., requests for lighting panels): (1) some specifications designated plaintiff's lighting panels with one of plaintiff's trade symbols, K-S-H or K-LITE, in conjunction with one of the trade symbols K-4, K-5, K-11 or K-12; and (2) other specifications designated the lighting panels with one of the trade symbols K-4, K-5, K-11, or K-12 alone.

As to the first type of specification, the court found that the use of K-S-H or K-LITE was a specific demand for lighting panels manufactured only by plaintiff. Finding of Fact No. 16, Vol. II, R. 44) Plaintiff proved that on at least one construction job involving this type of specification, referred to as the Lincoln Hospital Job, Sunbeam substituted lighting panels aided by Carolite without obtaining approval, and therefore palmed off such panels on the customer. (Conclusion of Law VI, Vol. II, R. 46) To obviate further discovery, it was agreed that other instances of such palming off need not be proved by plaintiff, since this one instance would support plaintiff's requested injunctive relief.

An appropriate judgment order, enjoining both Sunbeam and Carolite from palming off Carolite panels where the panel designations included the terms K-S-H or K-LITE, was entered. (Vol. II, R. 48-49)

As to the second type of specification, where the panel was designated by one of the symbols K-4, K-5, K-11 or K-12 alone, plaintiff had the burden of proving: (1) that the use of such trade symbols was a demand for plaintiff's lighting panel; and (2) that defendant substituted other panels when customers requested panels by the use of these trade symbols. The facts relating to the first point



are discussed in plaintiff's brief in co-pending Appeal No. 22049A.

With respect to the second point, plaintiff established several instances in which Carolite shipped lighting panels to the job site (rather than to the lighting fixture manufacturer) and intentionally concealed the source of manufacture by covering over its name printed on the boxes in which the panels were shipped. (Plf. Ex. 132 and 132A; R. 405 and 558-61) Generally, lighting panels are shipped to the fixture manufacturer which installs the panel in the fixture and the customer does not see the cartons in which the panels are shipped by the panel manufacturer. Carolite, however, unlike plaintiff, does not mark its panel with any type of symbol, trademark or other identification which indicates source. (R. 465-66) Carolite has also called the attention of fixture manufacturers to favorable price comparison. (Plf. Ex. 94 and 95)

### **B. Questions Involved**

1. Whether the primary significance of the trade symbols K-4, K-5, K-11 and K-12 to purchasers and prospective purchasers of plastic prismatic lighting panels is only to describe the pattern configuration embossed on such panels or whether such symbols identify lighting panels manufactured by K-S-H Plastics, Inc.

2. Whether there is a likelihood of confusion created by Carolite's use of the trade symbols C-4, C-55, C-11 and C-12 in view of plaintiff's prior use of the trade symbols K-4, K-5, K-11 and K-12 on identical products sold to the same class of purchasers through the same channels of distribution.

3. Whether there is a likelihood of confusion created by Carolite's use of the term CAROLITE in view of plaintiff's prior use of the federally registered term

K-LITE on identical goods sold to the same class of purchasers through the same distribution channels.

4. Whether Carolite's adoption of the term CAROLITE, the trade symbols C-4, C-55, C-11 and C-12, a similar catalog, and use of the same testing and engraving facilities in connection with the manufacture and sale of lighting panels having patterns identical to those previously manufactured and sold by plaintiff was unfair competition.

5. Whether Carolite was guilty of unfair competition by contributory palming off through aiding and abetting fixture manufacturers in substituting its lighting panels, without approval, when plaintiff's lighting panels were specified by the trade symbols K-4, K-5, K-11 and K-12 alone.

### **ERRORS RELIED UPON**

1. The court erred in finding that the Carolite trade symbols C-4, C-55, C-11 and C-12 are not confusingly similar to plaintiff's trade symbols K-4, K-5, K-11 and K-12 and that there is no likelihood of confusion created by Carolite's use of these trade symbols. (Finding of Fact No. 15, Vol. II, R. 43)

2. The court erred in finding that the term CAROLITE is not confusingly similar to the valid federally registered trademark K-LITE and that there is no likelihood of confusion created by Carolite's use of this term. (Finding of Fact No. 15, Vol. II, R. 43)

3. The court erred in finding that Carolite's use of C-4, C-55, C-11 and C-12 in the sale of lighting panels having patterns which are substantially identical to the panels sold by plaintiff, together with the use of the same engraver and testing laboratory and a similar catalog did

not constitute unfair competition. (Finding of Fact No. 15, Vol. II, R. 43; Conclusion of Law VII, Vol. II, R. 47)

4. The court erred in finding that the use of the trade symbols K-4, K-5, K-11 or K-12 by specifiers is not a demand for a lighting panel manufactured and sold only by plaintiff but “describes *only* the desired pattern” of a lighting panel. (Finding of Fact No. 17, Vol. II, R. 44; Conclusion of Law II, Vol. II, R. 46)

5. The court erred in concluding that use of the terms C-4, C-55, C-11 and C-12 does not infringe plaintiff’s designations K-4, K-5, K-11 and K-12. (Conclusion of Law III, Vol. II, R. 46)

6. The court erred in concluding that use of the term CAROLITE does not infringe the term K-LITE. (Conclusion of Law IV, Vol. II, R. 46)

## ARGUMENT

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Prior to summarizing the argument in this case, attention must first be directed to the Sunbeam case (Appeal No. 22049A) and to the trial court proceedings.

At the trial, the consolidated cases both presented the issue of the manner in which the trade used plaintiff's symbols K-4, K-5, K-11 and K-12. Resolution of this issue was determinative on whether Sunbeam was palming off, Carolite was contributorily palming off, and whether Carolite's use of the symbols C-4, C-55, C-11 and C-12 was an infringement of plaintiff's right to exclusive use of its trade symbols. At the conclusion of plaintiff's *prima facie* case, Carolite moved for involuntary dismissal and the court granted the motion as to all trademark infringement. (Finding of Fact No. 18; Vol II, R. 44) Subsequently, Sunbeam presented witnesses to show how plaintiff's trade symbols were used in the trade, but Carolite was not allowed to adduce evidence in this regard. Since Carolite counsel had prepared these witnesses, an abortive attempt was made to allow Carolite counsel to be appointed co-counsel to examine these witnesses. The witnesses were thereafter examined by Sunbeam counsel. Thus, all of the evidence on the issue of the trade usage of plaintiff's symbols was technically introduced in the Sunbeam case, though it was obviously applicable to both cases.

It is plaintiff's position, based upon the above observations, that the issue of the manner in which the symbols K-4, K-5, K-11 and K-12 are used in the trade is before this Court in both cases. It would not comport with reason to contend that the lower court found that these symbols



were not trademarks in the Sunbeam case, but that they were valid or that no opinion was expressed on the issue in the Carolite case.

Accordingly, reference is made herein to the facts on this issue appearing at pages 6 through 15 in Appellant's Brief in the Sunbeam case and the argument proceeding from page 23 to 38 therein.

Plaintiff asserts that Carolite is guilty of unfair competition by using trade symbols confusingly similar to those first used by plaintiff on *indistinguishable* products, sold to the same class of customers through identical channels of distribution, and with a clear intent to appropriate plaintiff's goodwill. Furthermore, use of the trademark CAROLITE in the manner described above infringed plaintiff's valid trademark K-LITE.

Finally, Carolite is guilty of unfair competition by aiding and abetting palming off by several fixture manufacturers, including Sunbeam.

**A. Carolite Has Unfairly Competed With Plaintiff By Using Confusingly Similar Trade Symbols As Part Of A Predatory Plan To Pass Off Their Goods And Business As That Of Plaintiff**

As indicated above, plaintiff has shown in the Sunbeam brief (Appeal No. 22049A) that K-4, K-5, K-11 and K-12 are capable of becoming common law trademarks and in fact have acquired such status. The conduct of Carolite will be shown to evince a predatory plan and an intention to confuse and deceive purchasers.

The primary implement in Carolite's scheme to appropriate plaintiff's good will is the adoption of trade symbols which are in themselves confusingly similar to those previously used by plaintiff. There is no question as to plaintiff's priority of use. But this trade practice, pro-

scribable alone, was only one facet of an overall plan. In addition, Carolite copied the appearance of plaintiff's products (an act which is admittedly legal *when standing alone*) to aggravate confusion, distributed simulated copies of plaintiff's catalog, and have determinedly adopted marketing practices to deceive prospective purchasers.

Each of the acts perpetrated by defendants considered in isolation could perhaps be explained as unintentional. But the detailed and minute copying of every aspect of the marketing methods used by plaintiff evince a deliberate intent to engage in fraudulent practices. The predatory plan of Carolite, comprising numerous interwoven individual acts of copying and simulation, has been recognized by the courts as unfair competition.

In *Midwest Plastics Corp. v. Protective Closures Co.*, 285 F.2d 747 (10th Cir. 1961), the defendant manufactured plastic caps which were nearly indistinguishable from those previously made and sold by plaintiff. The caps of defendant bore no marking or identification of source. Plaintiff owned the trademark "Tapered Caplugs" and the defendant used the terms "Plugcap" and "Tapercap" in connection with the sale of its goods. The defendant also distributed a trade catalog containing substantial amounts of material copied directly or in substance from plaintiff's trade literature such as illustrations and manner of data tabulation. At the time of trial, the defendant discontinued the use of such catalogs. The Court proceeded to analyze the defendant's practices not in terms of a comparison of the products, trademarks or catalogs as unrelated acts, but rather as an entire plan. The Court stated at page 750 as follows:

"The complete absence of any identifying marks on the defendant's products, except the stock numbers which tended to identify them as coming from the

appellee, coupled with the deliberate and studied copying of appellee's catalogue, including phonetically similar captions and descriptive illustrations, is entirely sufficient to justify the finding that such acts or omissions are likely to deceive and confuse purchasers as to the source of the defendants' products, and evidences a deliberate scheme to palm off their goods as those of the plaintiff."

Where a defendant has adopted plaintiff's numbers, similar catalog, sub-contracted with the same material suppliers and makes and sells products which are confusingly similar in appearance to those manufactured by plaintiff, the plaintiff's goodwill is appropriated and it is entitled to relief. *Unistrut Corporation v. Power*, 175 F. Supp. 295 (D. Mass. 1958)

Similarly, in *American Safety Table Company v. Schreiber*, 269 F.2d 255 (2d Cir. 1959), the defendant made and sold machines for use in the manufacture of shirts which were identical in every minute detail to those previously sold by the plaintiff. The Court noted that the naked copying by defendant is permissible; but that while free competition requires that the defendant be allowed to *manufacture* products which may confuse customers as to source, it does not and should not condone marketing methods which aggravate the confusion. This principle is a corollary to the rule established in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 59 S. Ct. 109 (1938) that copying of a product places a burden upon the copier to identify its product so as to minimize confusion. In *J. C. Penney Co. v. H. D. Lee Mercantile Co.*, 120 F. 2d 949 (8th Cir. 1941) the Court expressed the rule at page 955 as follows:

"The right to imitate or copy the functional features of goods does not of course import the privilege of stealing the trade of the originator, through

deception or confusion. Defendant could not under any circumstances sell its overalls as those of plaintiff, nor could it wittingly allow the door to be left open to probable public deception or confusion as a result of its imitation.”

It is apparent that since a copier has a duty to avoid any confusion which inheres in the similarity of products, then *a fortiori* he has an obligation to refrain from any marketing practices which increase confusion. Indeed, the methods of marketing adopted by Carolite must be circumspect.

The evidence adduced in the present case shows beyond peradventure that Carolite’s conduct falls within the activities proscribed by the foregoing cases as unfair competition. The individual practices by Carolite will be reviewed, commencing with the most important continuing conduct, adoption of the trade symbols—C-4, C-55, C-11 and C-12.

**1. The Use of C-4, C-55, C-11 and C-12 Have Confused and Deceived Purchasers Enabling Carolite to Pass Off Its Goods As Those Of Plaintiff**

Carolite uses C-4, C-55, C-11 and C-12 on prismatic lighting panels having the *identical appearance* as those panels made and sold by plaintiff. There are four popular patterns embossed on the lighting panels distributed by plaintiff and Carolite. The geometric shape of the individual prisms are conveniently described as square, hexagonal, louver (or egg crate) and diamond. Plaintiff uses the marks K-4, K-5, K-11 and K-12, respectively, on these specific products; Carolite uses the marks C-4, C-55, C-11 and C-12 on the identical appearing panels. None of the panels made and sold by Carolite include any designation or symbol which identifies the manu-



facturer. Plaintiff's panels, on the other hand, bear the mark K-LITE and other identifiable information to protect the public as to quality and product integrity as set forth, for example, on each of plaintiff's catalog characteristic sheets. (Plf. Ex. 4; R. 124)

There is no question of priority of appropriation of the marks in suit. Plaintiff used its first trade symbol five years earlier than the first symbol used by defendants. (Plf. Ex. 3, Stip. Paras. 21 and 22) Plaintiff chronologically introduced lighting panels having a square, hexagonal, louvered and finally a diamond pattern identified respectively with the numerically successive symbols K-4, K-5, K-11 and K-12. Carolite introduced copies of plaintiff's lighting panel patterns in a different chronological order and used a non-successive numbering system *so that each identical pattern panel had the same numeral as that used by plaintiff*. Carolite has not copied the products or adopted the symbols, however, of any other panel manufacturer although there are many other panel manufacturers with different designs. Although Carolite began with a system having a numeral which included two digits identical to the digit in plaintiff's marks (C-55), the subsequent numerals were made identical to plaintiff's.

The lighting panels made by both parties are sold to the same class of purchasers—lighting engineers and architects as agents for building owners. The channels of trade through which the panels are *supplied* include the fixture manufacturer, electrical contractor and the building owner. The panels are first specified by lighting engineers and bids are made by lighting fixture manufacturers. After the bids are evaluated, the lighting engineers direct the electrical contractor through the general contractor to order the lighting fixtures including

the lighting panels. The purchase order is placed by the electrical contractor with an electrical distributor who orders the fixtures from the lighting fixture manufacturer which in turn purchases the panels from the panel manufacturers, such as plaintiff and Carolite. (Plf. Ex. 24)

This case primarily involves the question of confusion with respect to the lighting engineers and fixture manufacturers. There exists a likelihood of confusion when Carolite's symbols are used on the identical goods as those of plaintiff and sold to the same customers through the same distribution channels. By creating such confusion, Carolite is able to pass off its goods upon the public. The similarity of the marks is apparent since the numeral portions thereof are identical in three instances and only colorably different in one. The capital letters K and C are also similar when hand printed on an order. And it is not one mark which is similar—but four.

The evidence shows not only a likelihood of confusion but numerous instances of actual confusion. Mr. Simmons, Sunbeam's witness, testified in response to questioning by the Court, as to whether he would be confused if someone talked about a C-4 lens, that he would have "to look up and find out what the C-4 lens is". (R. 814) He explained that he would not be confused for the reason that he had previously encountered the C-4 symbol and had checked out what it meant. (R. 814)

It is of course usually true that a purchaser may "check out" a product to assure its manufacture, but this does not suggest, of course, that the purchaser will continue to recall the respective manufacturers of the products bearing the similar marks. Actual instances of confusion point out the fact the marks *do* cause confusion

from which the likelihood of deception of other purchasers may be inferred. Although Mr. Simmons had Carolite's catalog, enabling him to find out who manufactures the C-4 panel, this may not invariably be true and confusion may not be resolved.

In the distribution of lighting panels, the specifications serve as the customers' requests for the product to the lighting fixture manufacturer. What the purchaser may receive will also depend upon whether the mark used to identify the product of the customer's choice confuses the fixture manufacturer who supplies the goods. It is consequently probative of confusion to analyze whether such fixture manufacturers have been actually confused on occasion.

The executive vice-president of Lighting Products, Inc. testified that if he saw a symbol, such as C-12, in a specification he would be confused because he associates even the numeral 12 alone with K-S-H with respect to lighting panels. (Plf. Ex. 106, Glass Depn., pp. 15-16) This is the same situation, to this witness, as the number 70 identifying Corning and the number 6250 identifying Holophane. (Plf. Ex. 106, Glass Depn., p. 16) Other witnesses testified that they too would associate the numbers 70 and 6250 with the manufacturers Corning and Holophane, respectively. (R. 967-68; R. 831; R. 504) The use of the same number with the letter C created confusion in the mind of the purchaser.

Numerous misdirected orders were shown to have been received by plaintiff's sales representative and also by Carolite. An order was received by Plastic Specialties from Freeman & Son, Ltd. in Canada requesting both "K8A" and "C12-5" panels on the same document. (Plf. Ex. 48) Carolite received seven orders from Nu-Lite

Manufacturing Company requesting a panel with one of plaintiff's trade symbols. (R. 436; Plf. Exs. 75, 76 and 77) In other orders from this fixture manufacturer a "K" was initially written and a "C" superimposed thereon. (Plf. Exs. 75, 78, 79 and 80) Orders were also received by Carolite from Wellmade Metal Products Co. in which a "K" was originally used and a "C" was later written over the "K". (Plf. Ex. 74) There is no evidence that Carolite sent such orders back but rather filled them and, in some cases, changed the "K" to "C" or had these letters changed by the customer. (R. 997-98)

A letter was received by Carolite from Midwest Chandelier instructing Carolite to change the size of the "K-5" panels supplied by Carolite. (Plf. Ex. 81) A misdirected order from Smoot-Holman, another fixture manufacturer, was received by Carolite for a "K-12" panel. (Plf. Ex. 82) "K-11" panels were ordered from Carolite by the Sechrist Company in Denver, Colorado. (Plf. Ex. 83)

Two orders and one release were sent by Globe Illumination Company to Plastic Specialties (the exclusive distributor of Plaintiff on the West Coast), ordering or referring to C-12 panels. (Plf. Exs. 42, 43 and 45) Another order sent to Plastic Specialties by Globe was a confirmation of an oral telephone order previously sent to Carolite. (Plf. Ex. 44) Six orders were also sent by Globe to Carolite requesting panels with plaintiff's trade symbols (Plf. Exs. 84 through 89) On two of these orders both plaintiff's and Carolite's panels were ordered (Plf. Exs. 88 and 89) One witness was queried as to why his company would send an order to Carolite with one of plaintiff's trade symbols and an order to plaintiff with one of Carolite's trade symbols. He replied that it was "an error in processing." (R. 919-920) The Court noted



that on one order to Plastic Specialties, C-12 was ordered and on another K-12 (Plf. Exs. 44 and 45) and then inquired:

“Now, what is the difference?

The Witness: Then we would—of course, on any purchase order we would endeavor to get the correct catalog number from its manufacturer on the purchase order.

The Court: C-12 is a Carolite order?

The Witness: Yes.

The Court: Why would you give a Carolite to K-S-H?

The Witness: It would be in our processing of the purchase order.” (R. 920)

These “errors in processing” are precisely due to the confusing similarity of the symbols used by plaintiff and Carolite. They are the manifestation of confusion as to which product is made by a particular company. It is apparent that if Carolite’s symbols were more distinguishable from those previously used by plaintiff that this confusion would not have resulted since Carolite’s marks would have more clearly indicated source.

The numerous mis-directed orders from various fixture manufacturers show the confusion caused by the similarity in the parties’ marks. Since the ultimate purchaser intends to receive panels manufactured by plaintiff when the specification calls for K-4, K-5, K-11 or K-12 panels, the confusion of the fixture manufacturer as to the source indicated by these symbols is significant. While the local Los Angeles fixture manufacturers are not confused by the parties’ businesses, they must be confused as to the product source, as shown by the mis-directed orders. On the other hand, the lighting engineers are confused as to the businesses as well as products. Carolite, therefore,

passes off its goods and business as that of plaintiff by using the confusingly similar trade symbols.

**2. The Use of Similar Catalogs and The Same Testing Laboratory Was Part of Carolite's Overall Scheme And Shows Its Intent To Confuse Purchasers**

Plaintiff introduced a three-ring looseleaf type catalog (Plf. Ex. 4) in early 1963 and nearly ten thousand copies have been distributed. (R. 97) These catalogs are supplied to architects and electrical engineers primarily by plaintiff's sales representatives throughout the country. These specifiers generally have a library of manufacturer catalogs including those from lighting fixture manufacturers and lighting panel companies. In preparing a specification, the selection of building components is aided by the information provided as to the performance characteristics and aesthetic appearance of the products to be used.

Plaintiff's catalog, while certainly not original in its mechanical features or design, was unlike the brochure type catalogs it had previously used and other lighting panel manufacturers other than Carolite continue to use. It also was distinctive in the provision of extensive technical information, particularly the performance testing laboratory reports which followed each panel configuration description page. (Plf. Ex. 4)

Carolite began to use a three-ring looseleaf catalog in late 1964. (R. 427) The catalog was prepared and designed by the president of Carolite, Inc. in collaboration with an independent designer having the K-S-H catalog before them. (R. 427, 429) This catalog also contains a description page for each lighting panel pattern followed by testing laboratory reports. (Plf. Ex. 73) The organiza-

tion of Carolite's catalog was admitted to be identical to plaintiff's. (R. 429) The Carolite catalog has four main sections designated consecutively C-4, C-55, C-11 and C-12. (Plf. Ex. 73) This series is identical to that in plaintiff's catalog notwithstanding that Carolite's panels were not chronologically introduced in that order and that the series is not numerically successive, *i.e.* C-55 is not last (and C-1 is in the back of the catalog). (R. 432; Plf. Ex. 73)

The testing laboratory which plaintiff began to use just prior to the time its new marketing program was launched was Independent Laboratories, Inc. of Boulder, Colorado. (R. 94) This laboratory tests plaintiff's lighting panels and prepares reports representing the photometric characteristics of the lenses. Subsequently, Carolite also began to use the same testing laboratory and obtained tests the results of which are presented on the same format report pages. (Plf. Ex. 73) The tests were run in the same lighting fixture used for plaintiff's tests, which was supplied to the laboratory by plaintiff. (R. 407-08) Carolite was interested in using test reports for a comparable test under the same conditions as plaintiff's tests but not those of any other company. (R. 413, 414-15) In correspondence between Carolite and Independent Testing Laboratories, K-S-II, its products and tests were frequently discussed. (Plf. Exs. 64-72)

A special type of performance criteria, called a "scissors curve," is set forth on a separate test report page in plaintiff's catalog for its most recently introduced panels, K-11 and K-12. (Plf. Ex. 4) These scissors curve test reports are also used by Carolite, and only for the C-11 and C-12 panels though chronologically the C-4 panel was the last type panel to be manufactured and sold by Carolite. (Plf. Ex. 73 and 3, Stip. Para. 13) Moreover,

while the test report formats were standard from Independent Testing Laboratories, Inc. (Plf. Ex. 103) plaintiff modified the report pages to include a diagram and a maximum brightness table. (R. 96; Plf. Ex. 4) Carolite made *identical* modifications to their reports to include the same diagram and table. (R. 431; Plf. Ex. 73) Furthermore, plaintiff received two sheets for each test report but printed the data on reverse sides of the same page for their catalog. (Plf. Ex. 4) Carolite did the same. (Plf. Ex. 73) To show the thoroughness with which Carolite copied plaintiff, they changed the test conditions (lumen rating) for their reports as plaintiff changed its test conditions. (Plf. Ex. 4 and 73; R. 423-24)

Plaintiff wishes to make clear that it makes no charge in the present case of copyright infringement; nor does plaintiff assert that it has the exclusive right against the whole world to use a catalog designed and organized like its catalog. Nor does plaintiff contend that no competitor may deal with Independent Testing Laboratories, Inc. What plaintiff *does* assert, and what the above evidence fully supports, is that these acts by Carolite show its *intent* to create confusion among purchasers. This intent colors the acts of Carolite, demonstrating that it attempted, and unfortunately succeeded in deceiving prospective customers into believing that Carolite was K-Lite.

The motives of Carolite's acts cannot be explained on any grounds other than the desire to deceive. Of course, Carolite wished to promote their products by showing the performance comparable to plaintiff's panels which had already received approbation by the trade. But was it necessary to use the same type of catalog, having similar trade symbols, identical organization and format even to the point of modifying standard test reports



so as to be identical to those used by plaintiff? Why is it that other competitors such as Sheffield Plastics Company, could use entirely different catalogs (Plf. Ex. 40) and yet compete successfully? And why was Carolite not interested in presenting its technical data so as to be comparable to other lighting panel manufacturers?

There is no rationale which will explain this sedulous imitation of plaintiff's marketing practices other than the purposeful intent to confuse prospective consumers and to supply the products for substitution. The catalog used by Carolite was one facet of a complete scheme to create confusion in the marketplace. And as previously indicated, the likelihood of confusion must be tested in light of the *intentional* acts of Carolite to cause deception; their familiarity with the market indicates that their opinion as to what may cause confusion should be given considerable weight. *National Lead Company v. Wolfe*, 223 F.2d 195 (CA 9 1955); *My-T-Fine Corporation v. Samuels*, 69 F.2d 76 (CA 2 1934). As recently stated in *Fleischmann Distilling Corp. v. Maier Brewing Company*, 314 F.2d 149, 158 (CA 9 1963):

"But when the evidence does show or require the inference that another's name was adopted deliberately with a view to obtain some advantage from the good will, good name, and good trade which another has built up, then the inference of likelihood of confusion is readily drawn, for the very act of the adopter has indicated that he expects confusion and resultant profit. *American Chicle Co. v. Topps Chewing Gum*, 2 Cir., 208 F.2d 560, 562; *Miles Shoes, Inc. v. R. H. Macy & Co.*, 2 Cir., 199 F.2d 602, 603; *National Van Lines v. Dean*, 9 Cir., 237 F.2d 688, 692. As was said in the last cited case: '[I]f such an intent is shown, it raises a presumption that deception and confusion resulted.'"

**3. Advertisement of Products That Carolite Was Unable to Supply Manifests Its Unscrupulous Intent to Simulate Plaintiff's Business and Cause Confusion**

Although Carolite copied plaintiff's lighting panel patterns, used similar identifying symbols and words and distributed similar catalogs, plaintiff did not remain stagnant in its product development. Plaintiff introduced lighting panels which were Tedlar coated to improve the discoloration quality and advertised this improvement in trade journals in December, 1964. (R. 1172-73) Since this new product distinguished plaintiff's product line from that of Carolite, again, Carolite felt that it was necessary to re-establish the total simulation program it had adopted. In February, 1965, Carolite began to advertise that Tedlar coated panels were "immediately available" (Plf. Ex. 102) when in fact Carolite had not received any commercial quantities of the Tedlar film until May, 1965. (R. 461-62) Thus, in its attempt to maintain the confusion between products and business, Carolite was willing to advertise products that it could not deliver. And in his deposition testimony, Mr. Wellen, president of Carolite, stated that he did not advertise Tedlar until July, 1965 (Plf. Ex. 101) when this was in fact false as shown by Plaintiff's Exhibit 102. (R. 462-65)

Again, plaintiff does not contend that Carolite could not copy plaintiff's new product development since it was unprotected by patent. But Carolite's copying was not simply the manufacture of an identical product, it was the manner in which it *marketed* this copied idea. It was not content to simply follow in plaintiff's footsteps. It insisted upon taking steps to create an illusion in the trade that the companies were the same with the same product lines. And it did so with such zeal that

it was even willing to advertise with blatant prevarications. Carolite intended to confuse specifiers so that when they desired to buy a specific panel from a particular manufacturer which they had previously used with satisfaction they could not remember—Carolite or K-Lite—C-12 or K-12. It therefore was necessary for Carolite to immediately dissipate any distinction between the products offered by the two companies. Even if they could not supply the product, the confusion must be preserved. Integrity was subservient to simulation. The intent to compete through unfair marketing practices is again manifested.

**4. The Lower Court Erred In Finding That There Is No Likelihood of Confusion Between The Marks of the Parties And No Unfair Competition**

It is submitted that the above-discussed evidence overwhelmingly proves that Carolite's conduct, primarily the use of C-4, C-55, C-11 and C-12, caused actual confusion and is likely to cause further confusion. The irresistible question—Why did the lower court rule in Carolite's favor?—must be answered.

The individual acts of Carolite other than the use of C-4, C-55, C-11 and C-12, considered alone, do not necessarily constitute unfair competition. Singular instances of conduct often show no more than bare coincidence. Plaintiff would not feel aggrieved if Carolite had only used the same testing laboratory, or the same engraver, or a similar catalog, or manufactured panels which were indistinguishable from those of plaintiff. Any one of these acts could be a reasonable competitive business decision. But *all* of these acts can only show an *intent* to appropriate plaintiff's good will. The principal vehicle for carrying out the plan was the use of the confusingly

similar Carolite trade symbols. Consequently, plaintiff sought relief from this unfair trade practice knowing that without this constituent, the entire predatory plan must fail.

The lower court, however, refused to view the acts of Carolite as conjoined and coordinate. Because copying of product appearance was legal, the court ignored the effect of this part of the scheme on the entire result. This was egregious error, since it is a cardinal principle of unfair competition and trade mark law that likelihood of confusion is dependent upon the goods on which the marks were used. In *Fleischmann Distilling Corp. v. Maier Brewing Company*, 314 F.2d 149 (9th Cir. 1963) this Court discussed at length the question of the relationship of the goods involved to likelihood of confusion. It was held that goods need not have the same descriptive properties to cause confusion. A logical corollary to this rule is that where the goods of both parties are lighting panels that are *indistinguishable* in appearance, then confusion is much more likely to occur. Actual deception has taken place and the likelihood of confusion continues to subsist.

Moreover, the lower court dismissed the similarity of the trade catalogs as a portion of the plan when informed that no copyright was asserted by plaintiff. This was also error because it resulted in a comparison of the marks in a non-realistic market environment. The law is clear that a naked comparison of marks is improper where the actual market-place conditions can be shown and extrinsic factors considered. *Miles Laboratories, Inc. v. Frolich*, 195 F.Supp. 256 (S.D.Cal), *aff'd*, 296 F.2d 740 (9th Cir. 1961).

In the present case, the products of the parties are not generally sold over the counter but are rather selected



by specifiers from trade catalogs retained in their offices. The primary sales tool for vending lighting panels is these trade catalogs. Just as the labels on goods sold over the counter, on which trademarks are printed, may increase or lessen the possibility of confusion, the trade catalogs in this case may aggravate or mitigate purchaser deception. Thus, the catalogs are an integral part of the parties' sales activity and the similarity of the Carolite catalog contributed to the confusion.

Similarly, the use of the same testing laboratory and engraver demonstrated Carolite's *mala fides* in the adoption of the trade symbols C-4, C-55, C-11 and C-12. While it is unnecessary to establish intent to prove unfair competition, a showing of bad intent will raise a presumption that confusion resulted. *National Van Lines v. Dean*, 237 F.2d 688, 692 (9th Cir. 1956). We submit that use of the same testing laboratory to obtain test reports on a format identical to that previously used by plaintiff cannot be explained except as an attempt to heighten confusion. Procuring engraving rolls from the same source is also indicative of Carolite's plan to create perfect similitude between the parties' businesses and products.

Finally, even if the lower court did use the correct legal standard for determining unfair competition, it erred by misapplying the test to the facts in the case. This Court has held, however, that the question of likelihood of confusion is one for it to decide. *Fleischmann Distilling Corp. v. Maier Brewing Company*, 314 F.2d 149, 152 (9th Cir. 1963); *Sleeper Lounge Company v. Bell Manufacturing Co.*, 253 F.2d 720, 723 (9th Cir. 1958). On the present record, it is urged that this Court reverse the lower court's finding that there is no likelihood of confusion between plaintiff's trade symbols K-

4, K-5, K-11 and K-12 and Carolite's trade symbols C-4, C-55, C-11 and C-12.

**B. Carolite Has Infringed Plaintiff's Valid Federally Registered Trademark K-LITE By Use Of The Mark CAROLITE On Identical Goods Sold To The Same Class Of Customers Through The Same Channels of Trade**

Plaintiff began using the trademark K-Lite in 1958 and has used it continuously on a line of plastic prismatic lighting panels. (Plf. Ex. 3, Stip. para. 8) Plaintiff registered its trademark K-Lite under the Federal Trademark Act of 1946, 15 U.S.C. Sec. 1051, et.seq., on the Principal Register, as Registration No. 687,973, issued November 10, 1959. (Plf. Ex. 2) This registration is presently in full force and effect and is conclusive evidence of plaintiff's exclusive right to use this mark as provided in 15 U.S.C. Sec. 1065. (Finding of Fact No. 10, Vol. II, R.41 )

Plaintiff has used this trademark extensively in its advertising and promotion and applies the mark to the goods and the containers in which the goods are shipped. (Plf. Exs. 4, 11-23, 28 and 182) These products are sold to lighting fixture manufacturers and ultimately to building owners through architects and electrical engineers who specify the panels as agents for the owners. (Plf. Ex. 24)

Defendant, J. W. Carroll & Sons, adopted and began to use the trademark Carolite in April, 1963 in connection with the sale of plastic prismatic lighting panels. Thereafter, principals of the defendant, J. W. Carroll & Sons, formed the defendant corporation, Carolite, Inc., which has also used the mark Carolite since August, 1964. (Plf. Ex. 3, Stip. para. 10) The trademark is employed by Carolite in a logotype wherein the letters "c-a-r-o" are placed

within a large “C” so that the visual appearance is a large C with the letters “l-i-t-e.” (Plf. Exs. 53, 73, 101 and 102; Def. Exs. AG through AI) The prismatic lighting panels on which the mark Carolite is used are identical in appearance to the panels made and sold by plaintiff. (R. 388-389) These goods are sold to the *same class of customers* through the *same channels of distribution*.

It is not necessary in a registered trademark infringement action to show actual specific instances of confusion since the test is likelihood of confusion. 15 U.S.C.A. Sec. 1114(i); *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149 (9th Cir.), *cert. denied*, 374 U.S. 830 83 S.Ct. 1870 (1963); *Miles Laboratories, Inc. v. Frolich*, 195 F.Supp. 256 (S.D.Cal 1961), *aff'd*, 296 R.2d 740 (9th Cir.), *cert. denied*, 369 U.S. 865, 82 S.Ct. 1030 (1962); *Sunbeam Corp. v. Sunbeam Furniture Corp.*, 88 F.Supp. 852 (S.D.Cal. 1950), *modified*, 191 F.2d 141 (9th Cir. 1961). The likelihood of confusion test includes consideration of the similarity of the marks, *Sleeper Lounge Company v. Bell Manufacturing Co.*, 253 R.2d 720 (9th Cir. 1958), the class of goods to which the marks are applied, *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149 (9th Cir. 1963), the marketing channels through which the goods are sold and the intent of defendant in adopting the mark. *Fleischmann Distilling Corp. v. Maier Brewing Co.*, *supra*.

Since the goods of the parties in this case are *identical* in appearance and the customers are the same, the likelihood of confusion is increased. Two questions remain: (1) the confusing similarity of the marks *per se*; and (2) the intent of defendants in adopting this mark. The latter issue is more fully discussed in the preceding sections of this Brief, since Carolite's conduct which evidences its intent includes its use of other trade symbols,

advertising and promotion and its efforts to aggravate confusion.

The question of confusing similarity of these marks should be resolved on the sound, appearance and meaning of the words. *Sleeper Lounge Co. v. Bell Mfg. Co.*, 253 F.2d 720 (9th Cir. 1958) Moreover, the marks must be considered in their entireties, i.e. no portion of the trademarks should be ignored in considering similarity. *Sleeper Lounge Co. v. Bell Mfg. Co.*, *supra*; *Van Camp Sea Food Co. v. Westgate Sea Products Co.*, 28 F.2d 957 (9th Cir. 1928) Although Carolite had alleged that the suffix "Lite" is commonly used in the lighting industry, there was not a scintilla of evidence to sustain this assertion. The marks, of course, have identical suffixes which contribute to the oral and visual confusing similarity. This suffix also aids in the confusion since it gives the marks the same suggestive meaning.

It is well-settled that the test of similarity of the two marks is not whether a purchaser may be confused with the two marks placed side by side, but is whether a person exposed to plaintiff's mark would have a recollection thereof that would cause him to be misled on subsequent contact with the latecomer's mark. *Brooks v. Great Atlantic & Pacific Tea Co.*, 92 F.2d 794 (9th Cir. 1937); *Keller Products v. Linings Corp.*, 213 F.2d 382 (7th Cir. 1954).

Carolite has raised the entirely spurious defense that because the mark CAROLITE includes a portion of one or several of the shareholders' and officers' surnames they cannot be denied use of this name. The law, however, is *explicitly* to the contrary. In *Everest & Jennings, Inc. v. E. & J. Mfg. Co.*, 263 F.2d 254 (9th Cir. 1958), *cert. denied*, 360 U.S. 902, 79 S.Ct. 1284 (1959), defendants raised the same defense and the Court stated, at page 259:



“The mere fact that a corporation is using the name of one of its shareholders does not confer the same rights the shareholder might have to the use of his own name. The fact that the defendant’s corporate name includes the name Jennings, which is the name of a shareholder and an officer in the corporation is without significance in this case.”

Moreover, plaintiff does not contend that Carolite should be precluded from using the tradename J. W. Carroll & Sons; the confusion emanates from the mark CAROLITE which is *not* the surname of any of the shareholders. And, in any event, no one has an *absolute* right to use of their surname. See, *e.g.*, *MacSweeney Enterprises, Inc. v. Tarantino*, 106 Cal.App. 2d 504, 235 P.2d 266 (1951); *Jackman v. Mau*, 78 Cal.App. 2d 234, 177 P.2d 599 (1947).

The type of goods, the class of potential customers, the use of CAROLITE, the public recognition of plaintiff’s trademark prior to the time the latecomer introduced his mark, and the competitive relationship between the parties are also factors to be considered in determining if likelihood of confusion exists. 3 Callman, *Unfair Competition and Trade-Marks*, Sec. 80.5 (2d ed 1950). In the present case, the goods and class of customers are identical. The parties are in direct competition and plaintiff’s mark K-LITE was well-known for many years (prior to Carolite’s adoption of the mark CAROLITE in April, 1963) through extensive advertising and promotion. And as shown in discussing the use of the trade symbols K-4, K-5, K-11 and K-12, the intent of Carolite was to appropriate the goodwill established by plaintiff in the similar mark K-Lite. The likelihood of confusion conclusively establishes that plaintiff’s registered trademark is infringed.

**C. Carolite Has Unfairly Competed With Plaintiff By Aiding And Abetting The Palming Off By Lighting Fixture Manufacturers of Carolite's Lighting Panels As Those Of Plaintiff**

The lighting panels manufactured by Carolite are identical in appearance to those made and sold by plaintiff *and bear no marking to indicate source.* (R.465-66) With the naked eye, no one is able to distinguish between the panels of the two parties, except the C-11 panel which defendants' witness stated was visibly inferior. (R.966) Since plaintiff's panels are not protected by patent or copyright, Carolite was free to make these Chinese copies. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 84 S.Ct. 784 (1964). The Supreme Court pointed out in the *Sears* case, however, that a state may require that labeling or other precautionary steps be taken to prevent customers from being misled as to source. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. at 232. And in *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234, 84 S.Ct. 779 (1964), it was stated at page 238:

“A State of course has power to impose liability upon those who, knowing that the public is relying upon an original manufacturer's reputation for quality and integrity, deceive the public by palming off their copies as the original.”

The law with respect to palming off, therefore, has not been altered by these decisions except that it is clear that it cannot be shown that the public desired a product of one manufacturer because the product *itself* identifies that manufacturer. Plaintiff here asserts that when its goods are desired by purchasers they are identified by the symbols K-4, K-5, K-11 and K-12 and not by the appearance of the panels. The *Sears* and *Compco*

ases promoted free competition by allowing copying in manufacturing, but protected the public by prohibiting unfair marketing.

In the present case, the actual palming off takes place between the fixture manufacturer and the public *qua* specifiers. There is no charge herein that the fixture manufacturers have goods palmed off on them by Carolite. Carolite liability is predicated upon its enabling these fixture manufacturers to palm off goods on the purchasers.

It cannot be gainsaid that unless fixture manufacturers have in fact palmed off Carolite's goods as those of plaintiff, it cannot be held liable. The record fully supports the conclusion that actual palming off has occurred. The palming off takes place in two ways: (1) when specifiers request plaintiff's goods identified by the symbols K-4, K-5, K-11 and K-12 alone; and (2) when specifiers demand plaintiff's goods identified by these trade symbols together with the name K-Lite. There is abundant evidence that when the trade symbols alone are used, Carolite panels are palmed off by Sunbeam Lighting Company (R.603-05), Globe Illumination Company (R.955-56), Nu-Lite Fluorescent Manufacturing Company (R.986) and Acme Lighting and Manufacturing Company (R.1021-22).

With respect to specifications in which K-4, K-5, K-11 or K-12 are used together with K-S-H to identify the lighting panels, the lower court found Carolite guilty of aiding and abetting palming off by Sunbeam. (Finding of Fact No. 16, Vol. II, R. 44; Conclusion of Law VI, Vol. II, R.46) It entered an appropriate judgment order enjoining Carolite from this type of unfair competition. (Judgment Order, para. 1, Vol. II, R. 49). The only issue before the Court on this appeal (since Caro-

lite did not cross-appeal), is whether Carolite is also guilty of contributory palming off where the specification identified the panels with one of the symbols K-4, K-5, K-11 or K-12, alone.

**1. A Person Is Guilty of Unfair Competition Where He Enables A Dealer Or Retailer To Palm Off Goods Where The Goods Of Another Are Requested**

The law with respect to aiding and abetting palming off is summarized in *William R. Warner & Co. v. Eli Lilly Co.*, 265 U.S. 526, 530, 44 S.Ct. 615, 617 (1924):

“That no deception was practiced on the retail dealers, and that they knew exactly what they were getting, is of no consequence. The wrong was in designedly enabling the dealers to palm off the preparation as that of the [Plaintiff].”

Recognition that the law is concerned with the ultimate purchaser, as well as the dealers or retailers, and therefore proscribes the aiding and abetting of palming off is well established in the Ninth Circuit. *Ross-Whitney Corp. v. Smith, Kline & French Lab.*, 207 F.2d 190 (9th Cir. 1953); *Haeger Potteries v. Gilner Potteries*, 123 F.Supp. 261 (S.D.Cal. 1954) The state law of California in this regard is also settled. It was stated in *American Philatelic Society v. Claibourne*, 46 P.2d 135, 139, 3 Cal. 2d 689, 698 (1935) as follows:

“So, likewise, it is immaterial to the charge of unfair competition that the [Defendant] made no attempt to deceive the retail dealers and in fact frankly stated to them the true facts, that the stamps were unofficially separated. There is an abundance of cases recognizing and setting forth the well-settled rule that it is of no consequence in a charge of unfair competition that no deception is practiced on the retail dealers and they know exactly what



they are getting; that the wrong lies in designedly enabling the dealer to palm off the copy or simulated article as that of the complainant.”

These cases establish that a person whose products are identical to that of an originator assumes the duty to take reasonable steps to prevent any palming off. The recent case of *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 84 S.Ct. 784 (1964) has not relieved the copier of this duty, but rather has created the environment for its increased application. The *Sears* case involved one problem, the right to *manufacture* goods identical to those of another where no patent or copyright existed. Assurance that the purchaser would receive the goods from the manufacturer it desired was a problem involving the *marketing* of the identical goods which remained for the states to protect. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. at 232. This distinction between the rights of a person in manufacturing and in marketing identical copies of a product originated by another has been long recognized. *Upjohn v. Schwartz*, 246 F.2d 254 (2d Cir. 1957); *Zangerle & Peterson Co. v. Venice Furn. Novelty Mfg. Co.*, 133 F.2d 266 (7th Cir. 1943).

Passing the question of what affirmative duties may rest on a copier, the above cases clearly show that defendants compete unfairly if they enable others to palm off their goods and know or participate in such palming off. One situation is illustrated in the case of *Ross-Whitney Corp. v. Smith, Kline & French Lab.*, *supra*, wherein the copier advertised to dealers that they could substitute and showed the dealers the identical copies to assure them that there would not be detection. In *William R. Warner & Co. v. Eli Lilly Co.*, *supra*, there was some evidence that defendant's salesmen suggested the feasibility of substitution without detection. In both

cases, the courts gave particular attention to the inducement which inhered in the lower price of defendant's products which could yield a larger profit to the dealer. And, see, *Smith, Kline & French Laboratories v. Clark & Clark*, 157 F.2d 725 (3d Cir. 1946).

Since a manufacturer cannot absolutely guarantee that an unethical dealer will not substitute goods, the courts have arrived at a test of whether wrongdoing by a dealer "might well have been anticipated by the defendant." *Reid, Murdoch & Co. v. H. P. Coffee Co.*, 48 F.2d 817, 819 (8th Cir. 1931). Accord, *New England Awl & Needle & Co. v. Marlborough Co.*, 168 Mass. 154, N.E. 286 (1897) (Holmes, J.); *Rice & Hutchins v. Vera Shoe Co.*, 290 Fed. 124 (2d Cir. 1923).

The test was also stated by Judge Wazanski in *Coca-Cola Co. v. Snow Crest Beverages*, 64 F.Supp. 980, 989 (D.Mass. 1946) as follows:

"Where the defendant markets a product, defendant's accountability for his customer's wrongful use of that product turns on the issue whether a reasonable person in the defendant's position would realize either that he himself had created a situation which afforded a temptation to or an opportunity for wrong by l'homme moyen sensuel or was dealing with a customer whom he should know would be peculiarly likely to use the defendant's product wrongfully."

And in *Sylvania Electric Products v. Dura Electric Lamp Co.*, 144 F.Supp. 112, 125 (D.N.J. 1956) liability was predicated upon whether the defendant "authorized, expected intended or knew that its product would be sold as" that of plaintiff.

Thus, the law requires that it be shown that Carolite knew, or as a reasonable man should have known, that

dealers would palm off their goods as those of plaintiff since Carolite enabled such palming off. Where it can be additionally shown that Carolite suggested, insinuated or induced the palming off, liability follows as a matter of course.

**2. Carolite Knew Or At Least Should Have Known That Several Local Fixture Manufacturers Were Palming Off Its Panels As Those of Plaintiff And On Several Occasions Suggested The Feasibility Thereof**

After commencing manufacture of lighting panels identical in appearance to those of plaintiff, Carolite set out to capture a portion of the market. It did not choose to do this by creating a demand for its own products through advertisement and promotion. In fact, it has placed only two advertisements in trade publications. (Plf. Exs. 101 and 102) The catalogs it has distributed and the symbols it used to identify its manufacture were not distinctive to call attention to a new source. It did not mark its panels as to source. (R.465-66) But further, Carolite suggested to fixture manufacturers the possibility of substitution of its panels as those of plaintiff without detection.

Carolite made a point to call attention to the fact that its panels were "equivalent" to those of plaintiff. (Plf. Exs. 92, 93 and 97) In a letter of December 14, 1964, Carolite's president pointed out that its panels compared favorably with those of K-S-H- and that "there should be no trouble with any specification or on an 'or equal' basis." (Plf. Ex. 95, letter dated Dec. 14, 1964) Although reference to an "or equal" specification suggests that the fixture manufacturer would be able to obtain approval, the suggestion that "any specification" could be met insinuates that authorization is unnecessary since the

substitution would not be detected. Moreover, in a letter of April 3, 1964, Carolite indicated to the same manufacturer how it intended to use the fact that they procured their embossing rolls from the same engraver as plaintiff used. ((Plf. Ex. 95) In this letter, it was stated that since the embossing rolls were from the same source as K-S-H used, the panels "will be an exact duplicate and therefore, perform identically." (Plf. Ex. 95) Again, it can be seen that an act wholly legal and innocent in itself—procurement from the same source as a competitor—can be used in a marketing scheme to suggest unauthorized substitution.

As an inducement to fixture manufacturers, Carolite made comparison to a price advantage over K-S-H. (Plf. Exs. 94 and 95) Since fixture manufacturers which intended to comply with the specification would base their bid on K-S-H prices, there was a suggested opportunity to devious fixture manufacturers to substitute Carolite panels and either outbid other fixture makers or obtain a handsome profit.

Carolite also received orders which should have indicated to it that unapproved substitutions were being perpetrated. For example, an order from Sechrist Manufacturing Company called for C-55 panels supplied by Carolite in containers marked "K-5". (Plf. Ex. 91) Why else would a fixture manufacturer want to mark the cartons K-5, and not C-55, unless it wanted to substitute without approval? Carolite also shipped lighting panels in plain cartons whereby the manufacturer would not be disclosed. (R.442; R.558-61) On one occasion, the president and vice-president of Carolite specifically told an employee that *the reason for using plain cartons was to prevent identification of the manufacturer.* (R. 558-59) There was no explanation given at trial of why plain cartons were used, but the motive is obvious.



These acts of Carolite must be considered with the fact that several local fixture manufacturers, representatives of which testified on behalf of Sunbeam, stated that they obtained no approval for a substitution if the specification called for a panel with K-4, K-5, K-11 or K-12 alone. (R.955-56; R.986; R.1021-22) Carolite knew, or should have known, that these unapproved substitutions were taking place. Of course, Carolite also knew that Sunbeam was substituting without approval on specifications using one of the symbols K-4, K-5, K-11 or K-12 alone. (R.603-04) In fact, Carolite has not attempted to deny this knowledge, but has erroneously pleaded avoidance on the ground that this conduct was permissible because plaintiff's trade symbols were pattern designations only. As the above specific acts show, Carolite did not attempt to discourage this palming off but rather aided this wrongful conduct through suggestion, inducement and even participation.

The applicable standard of law is whether Carolite knew, expected, intended or should have realized that it created the opportunity for palming off by the lighting fixture manufacturers. The above evidence establishes that Carolite knew of the unauthorized substitutions and encouraged such unfair competition. The mere fact that Carolite was not personally informed by the fixture manufacturers each time they substituted without approval on specification using one of plaintiffs trade symbols alone did not exculpate Carolite. It would have been a simple matter for Carolite to mark each of its panels, as did plaintiff, with a source identifying symbol. In that event, Carolite could have manufactured and sold indistinguishable panels. Since they could not induce or even reasonably expect the fixture manufacturers to palm off marked panels, they would have been relieved from liability if such palming off occurred.

We submit that in properly reversing the lower court and holding that K-4, K-5, K-11 and K-12 are trademarks, it will inexorably follow that the lower court should be reversed and Carolite found guilty of contributory palming off.

## CONCLUSION

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The trade symbols K-4, K-5, K-11 and K-12 identify lighting panels made only by plaintiff and plaintiff has the exclusive right to the use of these symbols. By the subsequent adoption of the symbols C-4, C-55, C-11 and C-12, Carolite has created a likelihood of confusion. Moreover, Carolite has perpetrated other acts as part of an overall scheme to appropriate plaintiff's good will.

The mark CAROLITE used on identical appearing lighting panels sold to the same class of customers through the same channels of trade is an infringement of plaintiff's valid registered trademark K-LITE.

Carolite is guilty of unfair competition by contributory palming off of Carolite panels where a customer specifies plaintiff's panels with one of the trade symbols K-4, K-5, K-11 or K-12, alone.

The judgment in favor of Carolite should be reversed.

Respectfully submitted,

OWEN J. OOMS,

ERWIN F. ADAMS,

One N. La Salle Street,

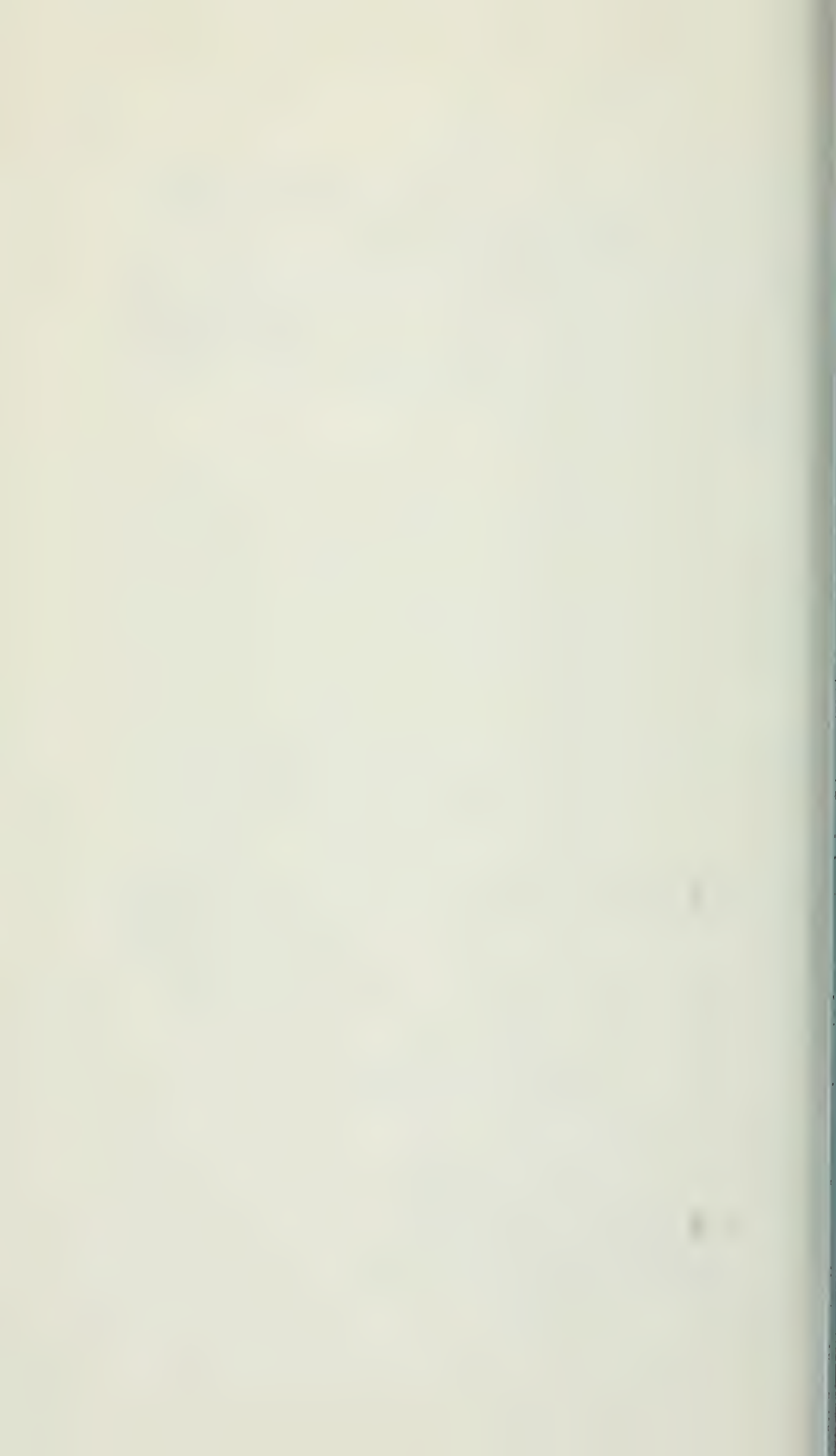
Chicago, Illinois 60602,

*Attorneys for Appellant.*

**C E R T I F I C A T E**

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

.....





## **APPENDIX**



## APPENDIX

	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
Manuscript			
Trademark Reg. No. 639,495	1	13	14
E Trademark Reg. No. 687,973	2	14	14
tion of Facts; and Carolite	3	67	85
3-ring catalog (green) of KSH	4	77	78
ey catalog of KSH ) (thick)	5	77	79
ey brochure of KSH ) (thin)	6	86	88
reen brochure of KSH	7	89	89
3 catalog page (black) of KSH	8	90	91
alog page (gold/black) of KSH	9	90	91
atalog page (gold/black) SH	10	90	91
dvertisement page (K-11)	11	90	99
dvertisement page (K-12)	12	99	99
dvertisement page (K-Pans)	13	99	99
dvertisement page (Tedlar)	14	99	99
dvertisement page (Tedlar)	15	99	99
dvertisement page (K44)	16	99	99
dvertisement page (K33)	17	99	99
dvertisement page (Quality)	18	99	99
dvertisement page cification)	19	99	99
dvertisement page cification)	20	99	99
dvertisement page (Quality)	21	99	99

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Re Ev Re Pa
<u>Trial Transcript</u>			
KSH advertisement page (Quality)	22	99	
K-No. Lens Swatches on chain	23	100	
Specification Diagram	24	117	
Notice of Publication K-11	25	120	
Notice of Publication K-12	26	120	
Official Gazette TM p. 251	27	120	
K-5 lens sample with K-Lite marking	28	120	
Notice of infringement ltr 4/21/65	29	120	
Chart (West Coast) on sales	30	130	
Day Brite Buyer's Guide	31	102	
Columbia catalog (earlier than defendants)	32	104	
PALCO catalog	33	104	
Sunbeam Account Balance Sheet	34	202	
KSH Quotation dated 2/25/66 (9910)	35	202	
KSH Quotation dated 3/1/66 (9915)	36	202	
KSH Quotation dated 3/11/66 (9953)	37	202	
KSH Quotation dated 3/11/66 (1153)	38	202	
KSH Quotation dated 3/31/66 (10174)	39	202	
Sheffield Data File (blue)	40	202	
Sheffield Plastic Samples in box	41	202	
Globe letter 11/10/64	42	335	
Globe order #7192	43	335	
Globe order #7169	44	335	
Globe order #7291	45	335	
Invoice Nat'l Wholesale Elec. Co. G 11724	46	335	
Invoice Action #1161	47	335	
Freeman order No. 14615	48	335	
ESI Fixture Survey 2727 (Charter Oaks)	49	335	



	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
<u>Manuscript</u>			
Texture Survey 2990 (1 Gypsum)	50	335	349
Texture Survey 2627 (sen Hydraulic)	51	335	349
Texture Survey 2696 (Trade Tech. College)	52	335	349
sample lens on key chain	53	388	
7/62 Carroll to Roehlen	54	390	391
sample sent with 2/27/62 (hexagonal)	55	390	391
3/62 Roehlen to Carroll	56	390	394
5/63 Carroll to Roehlen	57	390	397
an invoice	57 A	390	397
sample sent with 6/3/63 ltr (er)	58	390	397
2/3/64 Carroll to Roehlen	59	390	398
sample sent with 2/3/64 memo (nond)	60	390	400
7/64 Carroll to Roehlen	61	390	401
9/64 Carroll to Roehlen	62	390	403
8/63 ITL to Carroll	63	406	408
6/63 Carroll to ITL	64	406	411
0/63 ITL to Carroll	65	406	413
7/63 Carroll to ITL	66	406	414
1/63 Carroll to ITL	67	406	415
3/3/64 ITL to Carroll	68	406	419
3/5/64 Carroll to ITL	69	406	421
4/64 Carroll to ITL	70	406	422
7/64 Carroll to ITL	71	406	423
10/64 Carroll to ITL	72	406	424
st reports	72 A	406	425
e Catalog (gold vinyl cover)	73	406	427

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Re Ev Re Pa
<u>Trial Transcript</u>			
Wellmade Orders Nos. 6482, 5988, 6409 and Carolite invoices 0794 and 2061	74	417	
Nulite Orders Nos. 1704, 9719, 9732, 1820, 1833 and 0348	75	417	
Nulite Order 0183 and Carroll Inv. 0871	76	417	
Nulite Order 4485 and Carroll Inv. 0678	77	417	
Nulite Order 0362 and Carroll Inv. 00523	78	417	
Nulite Order 4356 and Carroll Inv. 0477	79	417	
Nulite Order 4376 and Carroll Inv. 0521	80	417	
Ltr 6/25/65 Butler to Carolite	81	417	
Smoot Holman Order No. 91430	82	417	
Sechrist Order 6/17/65 and Carolite Invoice 2344	83	417	
Globe Order 5241 and Carolite Invoice 1442	84	417	
Globe Order 5001 and Carolite Invoice 1201	85	417	
Globe Order 5031 and Carolite Invoice 1182	86	417	
Globe Order 4569 and Carolite Invoice 0717	87	417	
Globe Order 4493 and Carolite Invoice 0629	88	417	
Globe Order 4220	89	417	

	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
<u>Manuscript</u>			
Legal Order (10 sheets)	90	417	443
Legal Order 1/25/65	91	417	444
3/64 Carroll to Commercial Reflector	92	444	445
House correspondence (sheets)	93	444	446
Plastic correspondence (sheets)	94	444	447
de correspondence (sheets)	95	444	451
4/64 Carroll to Day Brite	96	444	452
; 1/7/64 ltr; 2nd page of	97	444	453
7/64 Carroll to du Pont	98	444	458
9/65 Carroll to du Pont	99	444	459
for C-12 Tedlar	100	444	459
om July LIGHTING ad (lite)	101	444	465
y 1965 LIGHTING ad (lite)	102	444	465
Simple Scissor Curve Sheet	103	431	431
ters; 9/25/63 Spensley rolite	104	444	468
tr contract K-D and JWC	105	444	469
A. Glass Deposition	106	566	571
Church Deposition	107	567	571
H. Evans Deposition	116	573	573
e Deposition	117	573	573
g Fixture Specifications (sheets)	118	577	577
et Special Conditions stitution) (2 Sheets)	119	577	577

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Rec Evi Rec Pag
<u>Trial Transcript</u>			
Sunbeam Drawing 24553D "QK4A" (9/10/63)	120	577	
Sunbeam Drawing 24313 "QK4S" (6/13/63)	121	577	
Sunbeam Catalog Pages (2 Sheets)	122	577	
GE Invoice 34177B dated 6/23/64	123	577	
GE Invoice 41910B dated 10/26/64	124	577	
GE Invoice 48707B dated 3/3/65	125	577	
Sunbeam Memo 8/19/64 (3 Sheets)	126	577	
Hopper Truck Letter 8/10/64	127	577	
Letter 11/5/64, Kohnen to GE	128	577	
Letter 1/26/65, Lathen to GE	129	577	
Letter 2/22/65, Kohnen to GE (2 Sheets)	130	577	
Letter 3/11/65, Kohnen to GE	131	577	
Unmarked carton for replace- ment panels	132	577	
Photos of carbon	132 A	577	
Lens found in unmarked carton	133	577	
Howard PO 1046A (3 Sheets)	134	577	
GE Invoice 44411B dated 12/14/64	135	577	
Carolite Invoice 0665 dated 11/23/64	136	577	
Sunbeam PO 52869 dated 11/12/64	137	577	
Letter, dated 8/18/65, Matloff to Plastics Specialties	138	582	
Letter, dated 9/10/65, Plastic Specialties to Matloff	139	582	
Letter, dated 9/14/65, Matloff to Plastic Specialties	140	582	
Letter 9/23/65, Stahlhut to Matloff	141	582	



	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
<u>script</u>			
Order 50593 (5/18/64)			
olite "K4 Acrylic"	142	585	585
voice 14164 (5/18/64)			
beam "K-4"	143	586	586
voice 14305 (5/29/64)			
beam "K-4"	144	586	586
Drawing 24553E			
63) "QK4A 3434-48RS"	145	587	588
r dated 11/16/64			
A3432"	146	592	593
rvey LM2-12862-C, Kaiser			
heets)	147	671	672
2/30/65, Lathram to			
y, Sexton, and etc.	148	688	688
Order 2/7/64 (\$18.92)			
9541	149	743	744
Order 5/3/66	150	743	745
Deposition	151	760	760
ch Deposition	152	760	760
s Affidavit	153	840	
er 7739-29901D	154	881	881
swatch of			
Haas P-4	155		895
atalog	156	911	912
ges from Sunbeam			
ist with "Guarantee"	157	1106	1107
Carroll Deposition	165	1132	1132
Carroll Deposition	166	1132	1133
Carroll Deposition	167	1133	1135
ellen Deposition			
11/29/65	168	1135	1136
ellen Deposition			
1/25/65	169	1136	1136

Document	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Rec Evi Rec Pa
<u>Trial Transcript</u>			
West Coast Lithograph Invoices dated 10/8/63 and 10/9/63 (C-55)	170	1137	
West Coast Lithograph Invoices 12/24/64 (C-12)	171	1137	
West Coast Lithograph Invoices dated 3/19/65 (C-12)	172	1137	
West Coast Lithograph Invoice dated 3/13/65 (C-12 Frameless)	173	1137	
West Coast Lithograph Invoices dated 3/23/65 (C-12)	174	1138	
West Coast Lithograph Invoices dated March 19, 1965 (C-11)	175	1138	
West Coast Lithograph Invoices dated 3/19/65 (C-11)	176	1138	
West Coast Lithograph Invoices dated 1/29/65 (C-4)	177	1138	
West Coast Lithograph Invoices dated 3/19/65 (C-4)	178	1139	
Wendell Vaughn Deposition	179	1139	
Herbert Krieger Deposition	180	1141	
Sol Matloff	181	1144	
KSH Box 1 x 4' Stamped with big K-12	182	1145	
Xerox copy of LC catalog with "21-" designations	183	1147	
Hobnail sample	184	1152	
K-Lux brochure	185	1153	
Honeycomb sample	186	1156	
Stahlhut article in 11/64 issue of Light and Lighting	187	1157	
Frameless sample of Carolite	188	1159	
Frameless sample of KSH	189	1159	

	Plaintiff's Exhibit No.	Marked for Ident., Record Page No.	Received in Evid., Record Page No.
transcript			
fig. pattern sheet			
ination marks)	190	1163	1164
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No. 22049

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

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K-S-H PLASTICS, INC., a Missouri corporation,  
*Appellant,*  
*vs.*

CAROLITE, INC., a California corporation, and J. W.  
CARROLL & SONS, a California corporation,  
*Appellees.*

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## APPELLEE'S BRIEF.

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FILED

DEC 27 1967

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WM. B. LUCK, CLERK





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**APPELLEE'S BRIEF.\***

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**STATEMENT OF THE CASE.**

**A. SUMMARY OF THE FACTS.**

**1. Introduction.**

The statement of facts which follows is pursuant to Rule 18 (3)—9th Circuit. These facts are directed to two classes of facts. The first class of facts are those which complete the statement of facts plaintiff has presented. The second class of facts are those which are directly controverted by defendant or which are not supported by the record. The first class of facts will be presented in Section 2—Plaintiff's Business

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\*The Record comprises ten volumes, volumes three through ten containing the testimony at the trial. References to volume two are identified as "Vol. II, R. . . ." Volume I is the record in the *Sunbeam* case. The remaining volumes with consecutive pagination are identified only by page reference numeral, thus "R. . . ."

and Activities, Section 3—Defendants' Business and Activities, Section 4—The Market Place, and Section 5—Confusion and Likelihood of Confusion. The final Section 6 of facts will set forth controverted or unsupported facts.

## 2. Plaintiff's Business and Activities.

The use of flat plastic prismatic panels in lighting fixtures existed long before plaintiff's introduction of the K-4 pattern in May, 1958. As early or earlier than 1951, the P-4 pattern which is substantially similar to plaintiff's K-4 pattern was marketed by Rohm and Haas for use in lighting fixtures [R. 263-264; Def. Ex. A; R. 27; Plf. Ex. 168, Larry Wellen Depn. p. 56]. Similarly, plaintiff's K-5 pattern was preceded by many years by the Corning pattern 70 which is a glass prismatic panel for lighting fixtures of the same general hexagonal form [Def. Ex. AX, Richard Hawes Depn. p. 9].

The use of alphanumeric designations (e.g., P-4, K-4, R-4, C-4) to designate patterns has been common in the industry both as to panel manufacturers and fixture manufacturers [Pltf. Exs. 31, 32, 33, 190; R. 704; R. 1025; R. 1063-1064; R. 1020; Def. Exs. Z, AA-AE, BF, R.].

Typical alphanumeric designations used by panel manufacturers to designate panel patterns are as follows: R-5, A-5, K-5, C-55, P-4, K-4, C-4, P-21, ad infinitum. (See portion of record referred to in previous sentence). A typical example of the manner in which



a fixture manufacturer describes a fixture is as follows:

“XL 12 - 2. - 40 - RS - AG - PF  
DIFFUSER

AG=Albalite Glass, PL= $\frac{1}{2}$ " x  $\frac{1}{2}$ " Styrene, DP=Drop Plastic, K11=Louvered Prismatic, K-12=Clear Prismatic, SL-23=Quiet Tone Prismatic, K5=Clear Prismatic, FP=Flat White Plastic." [Def. Ex. AE, BG-BI].

The other fixture manufacturers have similar nomenclature practices. There are virtually hundreds of thousands of such alphanumeric catalog numbers employed by the various manufacturers [Def. Ex. AE, R, S2; Plf. Ex. 192, 193].

Roehlen Engraving, the company that formed embossing rolls for some of the plaintiff's patterns and all of defendants' patterns, is one of the more reputable engravers [Def. Ex. AY, R. 16; Pltf. Ex. 169, Larry Wellen Depn. p. 22]. Roehlen Engraving has hundreds of open patterns available for customers and upon request it supplies samples of such open patterns to customers [Plf. Ex. 167, Carroll Depn. p. 13]. Plaintiff has no confidential agreement or proprietary agreement with Roehlen Engraving and Roehlen Engraving has given defendants patterns to its customers [Def. Ex. AY, Stahlhut Depn. p. 16; Plf. Ex. 167, R. Carroll Depn. p. 13].

Plaintiff has since 1958 had at least two catalogs [Plf. Exs. 3, 4 and 5]. The first catalog which was used from about 1961 was a red and gray soft covered catalog [Plf. Ex. 5]. This catalog was utilized until the middle of 1963 when plaintiff changed to a

blue-green catalog having a vinyl hardback three ring type of construction, such as employed by Corning before plaintiff [Def. Ex. T]. Up until the introduction of the hardback catalog, the plaintiff's primary patterns were the K-4 and K-5. In 1963, the line was expanded and the K-11 and K-12 patterns were added [Plf. Ex. 3, para. 12]. The plaintiff's catalog and the prior catalog of Corning were different in that the test reports as supplied by Independent Testing Laboratories were incorporated into plaintiff's catalog. Such tests results were used in the catalog of other panel manufacturers [Def. Ex. U]. The Independent Testing Laboratory reports were incorporated into the catalogs of plaintiff as supplied by the laboratory [R. 42]. The plaintiff has copyright protection on certain of the pages of its catalogs [Plf. Ex. 4].

K-S-H has a policy of applying for registered trademarks and failed to apply for trademark registration of their alphanumeric designations until after the filing of this lawsuit notwithstanding their use of catalog or pattern numbers K-4 and K-5 for a period in excess of seven years [Def. Ex. AY, Leo Stahlhut Depn. p. 59; Def. Ex. AX, Richard Hawes Depn. p. 22]. After the filing of this lawsuit, K-S-H did attempt to register the alphanumeric designations K-11 and K-12 but for some reason did not attempt to register alphanumeric designations K-4 and K-5 at that time [R. 120].

In adopting the alphanumeric catalog designations, K-S-H has continually used the designations to describe a particular pattern [Finding of Fact 13, Vol. 2, R. 42]. For example, in original brochures, the terms used were "Type K-4" and "Type K-5." [Pltf. Ex. 5

and 6]. The alphanumeric designations have not been placed on the actual panels but have generally been written on or stenciled on the end of the box to describe the contents [Plf. Ex. 182, R. 1145]. Order documents and other materials have carried the alphanumeric designations in the description portion of the order form [Plf. Ex. 23, 35-39, 182]. In advertising the words "K-LITE" and K-S-H have been prominently displayed and indicated as registered trademarks, and it has been advertised that customers should specify K-LITE or K-LITE by K-S-H [Pltf. Ex. 11-22]. The K numbers virtually always appear in combination with the K-LITE registered trademark or the K-S-H registered trademarks. Throughout the period of use since 1958, many persons in the lighting fixture industry have similarly referred to alphanumeric designations as a shorthand way of describing a particular pattern [Findings of Fact 17, Vol. II, R. 44; R. 27-28; R. 262-265; R. 893-894; R. 975; R. 695; Plf. Ex. 11-22]. This usage has never been objected to by K-S-H until the filing of this lawsuit. Not one fixture manufacturer or specifier or other person in the industry has ever been told they were improperly using alphanumeric designations notwithstanding wide usage in catalogs and documents without reference to them as a trademark [Def. Ex. AY, Leo Stahlhut Depn. pp. 78-79].

The extruded embossed sheets of K-S-H are shipped in boxes on which the words K-LITE and K-S-H are printed in large letters on the top surface of the box [Plf. Ex. 182; Findings of Fact 8, Vol. II, R. 41]. At one end of the box the contents of the box is described and there is in this description of the contents

of the box reference to the particular alphanumeric pattern that is contained therein. A typical description is as follows:

“26 pieces K-12 WH acrylic 10-3/8 x 47-5/8 x 1/8.”

The plastic panels themselves are marked with a minute K-LITE (approximately  $\frac{1}{4}$  of an inch high) on one part of the surface of the panel near the end of said panel [Plf. Ex. 182; R. 1145; Finding of Fact 8, Vol. II, R. 41]. The K-LITE mark on the panel is a transparent mark on a transparent panel [Findings of Fact 8, Vol. II, R. 41; Def. Ex. I].

This mark may be trimmed off by the fixture manufacturer 0 in fitting the panel to the fixture [Finding of Fact 8, Vol. II, R. 41] and in any event is hidden when installed in the fixture. The fixture is, placed in the ceiling of a particular structure. To locate the minute transparent mark the fixture must be, in part, disassembled and the disassembler must climb a ladder and be at the right end and corner of the fixture to locate the mark [R. 42-46].

### 3. Defendant's Business and Activities.

J. W. Carroll & Sons was formed in 1958 by J. Warren Carroll (Father), Robert Carroll (Son), Richard Carroll (Son), and Larry Wellen (son-in-law) [Finding of Fact 2, Vol. II, R. 40]. J. Warren Carroll had been in business since at least 1940 engaged in the production of plastic parts and having special expertise in the process of extruding plastic parts [Plf. Ex. 166, J. W. Carroll Depn. p. 4]. The remaining principals had spent substantially all their business careers in the



field of plastic extrusion for the lighting fixture industry [Pltf. Ex. 165, Robert Carroll Depn. p. 4; Pltf. Ex. 167, Richard Carroll Depn. pp. 4-6].

In September, 1962, defendant J. W. Carroll & Sons which had up to that time been primarily engaged in the manufacture of shaped lighting panels for the lighting fixture industry decided to and took steps to enter into the field of extruded flat prismatic panels [Plf. Ex. 3, Para. 6]. At this time the plaintiff was manufacturing the K-4 pattern and the K-5 pattern. The defendants decided to enter into this field because of the potential of sales to their customers in the shaped lighting panel field located primarily on the West Coast [R. 402; R. 417; Pltf. Ex. 168, Larry Wellen Depn. p. 26; Plf. Ex. 180, Herbert Krieger Depn. pp. 5-6]. The first step in manufacturing these products was to procure an embossing roll. One employee of J. W. Carroll & Sons, Mr. Teechman, suggested that Roehlen Engraving Works be contacted with regard to the preparation of rolls for J. W. Carroll & Sons [Plf. Ex. 168, Larry Wellen Depn. p. 22]. Also, a Mr. Hans Buchan, a sales representative for National Rubber Machinery Corporation, who J. W. Carroll & Sons were buying their machinery from, also suggested that Roehlen Engraving Works be contacted with regard to the purchase of embossing rolls [Plf. Ex. 167, Richard Carroll Depn. p. 8]. The embossing roll for the C-55 configuration as well as all other embossing roll patterns that Carolite purchased from Roehlen Engraving were open patterns from their library of many patterns, made available by Roehlen Engraving to any person or company [Plf. Ex. 169, Larry Wellen Depn. pp. 9-10; Def. Ex. AY, Leo Stahlhut Depn. pp. 16-17; Plf.

Ex. 168, Larry Wellen Depn. p. 19]. The defendants subsequently purchased rolls for the C-1, C-4, C-11, and C-12 patterns as well as the Metalux and Sunlux patterns which are also flat prismatic panels manufactured by defendant. The only patterns which are the subject of this lawsuit are the C-4, C-55, C-11 and C-12 patterns [Plf. Ex. 3, para. 13].

The name Carolite along with their logo was selected by J. W. Carroll & Sons. CAROLITE is a combination of the name of three of the four principals (the Carrolls) and the word LITE which is commonly employed in the lighting and fixture industry. For example, various companies in the industry employ "Diffuselite" [Plf. Ex. 168, Larry Wellen Depn. p. 19], "Formalite" [Pltf. Ex. 180, Herbert Krieger Depn. p. 9], "Prescolite", Plaskolite" [Plf. Ex. 106, Harold Glass Depn. p. 27, p. 34], Nulite [R. 1000], Alba-Lite and Honeylite [Def. Ex. R], and Spiro-Lite [Def. Ex. EF, Sam Wigodner Depn. p. 71]. The word LITE is suggestive of the use of the product.

The defendants in 1963 handed out promotional sheets to its customers [Pltf. Ex. 168, Larry Wellen Depn. pp. 16-18; Plf. Ex. 170-177]. In 1965, when its product line was sufficiently developed, it issued a vinyl three ring notebook having a gold cover and having the name CAROLITE displayed on the cover along with the name appearing on every page at least once [Plf. Ex. 73]. The information on the C-4, C-55, C-11 and C-12 patterns were arranged in numerical order and color coded. The written material relating to each pattern was printed in a different color and separated by different color notebook dividers. The K-S-H cata-

log was blue-green, did not have color coding and did not have dividers [Plf. Ex. 4]. The general format of the information on each page in the defendants' catalog along with the specification instructions and the text on each page were different than that appearing in the K-S-H catalog. The defendants' original catalog was designed by an independent industrial designer and Larry Wellen, President of defendant Carolite, after reviewing numerous catalogs [Plf. Ex. 3, para. 15; R. 470]. Plaintiff's Vice President stated that he knew of no one that was confused between plaintiff's and defendants' catalogs [Plf. Ex. AY, Leo Stahlhut Depn. p. 28].

The photometric data in the defendants' catalog was prepared by Independent Testing Laboratories ("ITL"). A representative from ITL contacted defendants with regard to running photometric tests for its panels [R. 405]. Eventually, ITL furnished defendants with reports on various prismatic panels on ITL's standard form and in certain instances with several minor modifications [Plf. Ex. 72A]. These identical forms with the data thereon were reprinted in the proper color coding and inserted in the catalog following the relevant product sheet.

The defendants' plastic prismatic panels are normally shipped in cartons having the word CAROLITE prominently displayed thereon [Plf. Ex. 167, Richard Carroll Depn. pp. 37-38; R. 441-443; Def. Ex. BP; Finding of Fact 8, Vol. II, R. 41]. In addition, descriptive matter is marked on the end of the box with the alphanumeric designation C-4, or C-55, etc. appearing in a line for pattern description [Def. Ex. BP]. Some customers sell the panels under their own brand name or

desire their own catalog designation on the boxes for inventory or assembly purposes [Def. Ex. AD; Plf. Ex. 91; Def. Ex. BF, Wigodner Depn. pp. 32-33]. In any event, Carolite places a packing slip inside of the box of panels with the word CAROLITE prominently displayed on the packing slip [Finding of Fact 15, Vol. II, R. 43]. Similarly, all invoices, stationery and business cards of defendants prominently display the corporate name with many of the documents bearing the motto "West's largest plastic extruder," indicating defendants are manufacturers [Finding of Fact 15, Vol. II, R. 43; R. 476-477] The boxes of plastic prismatic panels are usually sent directly to the lighting fixture manufacturer and only in rare instances are they sent to the job site. [R. 475].

#### **4. The Market Place.**

The lighting fixture business forms a part of the building construction industry and, in particular, the commercial and industrial aspect of that industry. Generally, the building construction industry is involved in bringing various devices (air conditioning units, heating units, plumbing sets, etc.) and materials (e.g., steel members, wall coverings, concrete, etc.) which is assembled into a finished structure. One of the devices employed in such structures is a lighting fixture. In commercial and industrial enterprises this lighting fixture employs a metal troffer, a ballast, wiring, lamps, mounting elements and diffusers [Def. Ex. H, I; Plf. Ex. 118; R. 1015]. Many of these components are



purchased by the fixture manufacturers from independent suppliers, such as the plaintiff and defendants in this case. A fixture manufacturer will have a number of sources for each component [R. 978, R. 1000, R. 1015, R. 1043].

The components (plastic diffusers) are sold by plaintiff and defendants to the particular fixture manufacturer and assembled into various fixtures. The fixtures are then sold to a wholesale distributor who in turn sells the electrical goods to an electrical contractor, who in turn sells (and installs) the electrical goods to a general contractor, who in turn is constructing the building to a set of specifications set up by an architect for the ultimate consumer, that is, the owner of the building [R. 1117, See Charts 1 and 2 in Appendix].

The component supplier is at one end of the supply portion of the distribution channel and the architect and owner are at the other end of this distribution channel. The fixture manufacturer is held responsible by the architect for the quality of the fixture and the components therein as well as for meeting the specification [R. 164, R. 119]. The specification process is summarily set forth in the Findings of Fact [Finding of Fact 8, Vol. II, R. 41] as follows:

“Specifiers (architects or lighting engineers) as agents for the building owners, prepare a specification identifying the electrical equipment, including lighting fixtures, and the lighting panels to be used therewith, in a specification which is dis-

tributed ultimately to lighting fixture manufacturers. (The specification may have two or more manufacturers of fixture, specified for any given fixture) [Plf. Ex. 219-52]. Bids are prepared by the lighting fixture manufacturers and submitted to the specifiers for approval. Items which are intended to be provided which are not in accordance with the specification may be submitted by the lighting fixture manufacturer for approval of such substitute by the specifier. Based on these bids, the specifier or owner awards the contract to a general contractor or an electrical equipment distributor. (The lighting panel may be specified by characteristics, pattern, or manufacturer or other definitions) [Plf. Ex. 49-52]. In the event that the lighting panel is specified to be that of a particular lighting panel manufacturer, the panel is ordered from the lighting panel manufacturer, such as plaintiff or defendants, or approval is obtained by the fixture manufacturer. Lighting panels are supplied to fixture manufacturers by defendants and plaintiff in cartons with their respective names thereon. The plaintiff, in addition, imprints its name in the corner of the panel with transparent letters about  $\frac{1}{4}$  inch in height. Some fixture manufacturers, in fitting the panel to the fixture, trim it therefrom. The panels are placed in the fixtures by the fixture manufacturers and shipped to the job site. The plaintiff's transparent printing that remains on the panel is obscured by the fixture." (The facts in parenthesis were added. See Charts 1 and 2 in Appendix).

## 5. Confusion, Likelihood of Confusion and Pattern Designations.

Plaintiff introduced no specifier as a witness that (architect or engineer) that could state he had, in fact, ordered a panel by an alphanumeric number, that is K-4, K-5, and intended to receive a K-S-H panel. The plaintiff introduced no witness that stated that it ordered a K-S-H panel either by listing an alphanumeric designation alone or by listing an alphanumeric designation along with the name K-S-H and received a Carolite panel with the exception of the Lincoln Hospital job wherein the panel was specified as "K-S-H K-4." (The facts relating to the Lincoln Hospital job and the conclusions relating thereto are not the subject of this appeal. The facts are summarized in the Appendix section C with Record references). The plaintiff, in order to uncover such instances, took approximately forty depositions and had complete access to defendant Carolite's file. The defendants early in the case sought to obtain information which the plaintiff had available on likelihood of confusion and palming off. The plaintiff refused to answer questions posed during the deposition of Leo Stahlhut regarding such matters and was subsequently compelled by the court to disclose the alleged instances of confusion and palming off [Def. Ex. AY, Leo Stahlhut Depn. R. 28-30]. Eventually the plaintiff stated certain fixture manufacturers that were confused. The fixture manufacturers that testified were not confused. They testified that they employed alphanumeric designations as descriptive of patterns and that they obtained the prismatic panels from the manufacturer they intended to [R. 675, R. 702, R. 975, R. 1030]. (Plaintiff's position that fixture man-

ufacturers were confused has apparently been revised. Compare pages 20, line 7; 23, lines 29-32 and 37, line 6 of Plaintiff's brief.)

The alphanumeric designations (K-numbers) are generally used in specifying, ordering and supplying panels to indicate pattern only. The primary significance of K numbers alone both in trade and among purchasers is one of pattern and not producer [Finding of Fact 10, Vol. I, R. 41]. The use of alphanumeric designations K-4, K-5, K-11, etc., in specification and orders without more does not require a panel from a particular manufacturer to be supplied. [Findings of Fact 16, Vol. II, R. 44]. (The facts relating to the descriptiveness of the alphanumeric designation is fully developed in the Appeal Brief of Sunbeam.) The plaintiff did not show actual confusion, likelihood of confusion or mistake or deceit by use of the alphanumeric designations in connection with similar products nor was there shown an intent to palm off [Finding of Fact 15, Vol. II, R. 43].

With respect to actual specifications, the plaintiff introduced numerous specifications [Plf. Exs. 47-52] but did not call on one architect or specifier that was an author of such a specification. The plaintiff introduced documents on the Charter Oaks job [Plf. Ex. 49], the National Gypsum job [Plf. Ex. 50], the Ronson Hydraulics job [Plf. Ex. 51] and the L. A. Trade Tech College job [Plf. Ex. 52]. All of the specifications on these jobs were written by architectural firms within the proximity of the greater Los Angeles area. No witness from these firms was called. Four other instances of supposed possible confusion in specifications were San Clemente Elementary School job



[Def. Ex. AL], the Taylor Elementary School job [Def. Ex. AM], the Norco Elementary School job [Def. Ex. AO], and the Coroneta Elementary School job [Def. Ex. AN], wherein the specifications recited "K-4 control lens". The engineer responsible for preparing of these specifications was Arthur Root who testified that with respect to these specifications it was intended that the K-4 only described a particular prismatic pattern in the specification and not any particular manufacturer [R. 863-874].

Orders from fixture manufacturers to Carolite on occasion refer in the description portion of the order to alphanumeric designations K-4. The use of such designations in orders to defendants was stated to arise from clerical errors, processing errors or utilizing the alphanumeric designation as a description [R. 865, R. 907, R. 956, R. 986, R. 1002, R. 1020, R. 1030, R. 1063]. In all cases where testimony was received with respect to such orders, the fixture manufacturer stated it received the panel from the manufacturer whom it intended to buy from [R. 907, R. 960, R. 989, R. 1003].

## **6. Facts Stated in Plaintiff's Brief Controverted by Defendant.**

There is no showing in the record that any of the patterns K-4, K-5, K-11 or K-12 were unique or original. The record does indicate that the K-4 pattern was similar to the P-4 pattern and that the P-4 pattern was sold by Rohm and Haas as early as 1951 [Def. Ex. A; R. 27]. In addition, the introduction of K-11 pattern was objected to by another manufacturer because they felt it was very similar to their pattern

[R. 32]. The K-12 pattern was substantially similar to the PL-21 manufactured by Plaskolite [R. 1166].

There is no support in the record that Tedlar was a new concept or a concept that was first introduced by plaintiff. Upon plaintiff's objection the court excluded all testimony as to when defendants began development of their Tedlar coated panels [R. 481]. Carolite was showing Tedlar panels to fixture manufacturers in early 1964 [Plf. Ex. 98] before K-S-H's earliest advertisement in December, 1964 [Plf. Ex. 14 and 15].

There is no support in the record of findings that the embossing roll made by Roehlen Engraving to emboss the C-55 pattern was engraved from the engraving tool paid for by K-S-H Plastics (Plaintiff's Br. p. 8, first complete sentence). There is no support in the record that J. W. Carroll & Sons approached ITL (Plaintiff's Br. p. 8, third complete sentence). It was not agreed by defendant that there was other jobs like the Lincoln Hospital job (Plaintiff's Br. p. 10, second paragraph). To the contrary with respect to defendants Carolite and J. W. Carroll & Sons, plaintiff had full discovery and the Lincoln Hospital job was the only situation that was located out of many hundreds of orders wherein a "K-S-H K-4" panel was specified by and a CAROLITE panel eventually was supplied to the specifier by the fixture manufacturer. The defendant has always and continues to maintain that this was an isolated instance of which it had no knowledge. As a result of the Lincoln Hospital job, the defendants were not generally enjoined from aiding and abetting fixture manufacturers but rather the court ordered the defendants from *knowingly* participating, *knowingly* inducing, *knowingly* aiding or *knowingly* abetting fixture manu-

facturers to palm off defendants' lighting panel as though the plaintiff when a K-S-H K-4, K-S-H K-5, etc., has been specified *and* Carolite knows of such specification *and* knows of the failure of the fixture manufacturer to obtain approval as required. This order by the court is not the subject of this appeal. Conclusion of Law VI, Volume II, R. 46 does not support that plaintiff's statement on page 10 of its brief (second paragraph, second sentence), that the defendants were guilty of unfair competition in the Lincoln Hospital job. This conclusion of law states as follows:

"Defendant, CAROLITE, INC., or J. W. CARROLL & SONS, is guilty of unfair competition when CAROLITE, INC., or J. W. CARROLL & SONS substitutes a C-4 panel for a K-S-H K-4 panel which was so requested from CAROLITE, INC. or J. W. CARROLL & SONS."

#### B. QUESTIONS INVOLVED.

1. Whether the finding of fact by the trial court: (a) that the designations K-4, K-5, K-11 and K-12 are when used in a specification alone or in an order alone describe a pattern; (b) that the pattern designations C-4, C-55, C-11 and C-12 are not confusingly similar to the pattern designations K-4, K-5, K-11 and K-12; (c) that there was no likelihood of confusion or actual confusion; (d) that there was no intent to palm off; and (e) that there was no likelihood of confusion created by Carolite's use of the alphanumeric designations C-4, C-55, C-11 and C-12 in view of plaintiff's prior use of the alphanumeric designations K-4, K-5, K-11 and K-12 on identical products sold to the same class of purchasers through the same channels of distribution along with other activities, are subject to the clearly erroneous rule;

2. Whether defendant Carolite has committed unfair competition by making panels having patterns identical to plaintiff, employing the designations C-4, C-55, C-11 and C-12, putting out a catalog and employing Roehlen Engraving Works and Independent Testing Laboratories as vendors.

3. Whether Carolite was guilty of unfair competition by aiding and abetting fixture manufacturers in substituting its lighting panels, when the lighting panels were specified by alphanumeric designations K-4, K-5, K-11 and K-12 *alone*, when Carolite has no knowledge of a particular specification or the lack of approval.

4. Whether defendants' registered trademark CAROLITE infringes plaintiff's registered trademark K-LITE.



## ARGUMENT.

### Introduction.

At the conclusion of plaintiff's attempt to establish a *prima facie* case, all matters pending with respect to Carolite were dismissed except the Lincoln Hospital job. Defendants Carolite and J. W. Carroll & Sons were precluded from introducing evidence other than on the Lincoln Hospital job. With respect to the remainder of the trial and the findings with respect thereto, the defendants Carolite and J. W. Carroll & Sons accept all findings and conclusions of law against K-S-H. In the event these matters are finally adjudicated in favor of Sunbeam, Carolite and J. W. Carroll & Sons would seek to invoke the doctrine of collateral estoppel with respect to such findings which are against the plaintiff. In all other respects, defendants Carolite and J. W. Carroll & Sons do not intend to waive their right to cross-examination and to introduce evidence.

Plaintiff in general asserts that it has three additional causes of action that the court should have rightly found in its favor. These causes of action are as follows:

A. That the use of the alphanumeric designations along with a number of other activities constitutes unfair competition.

B. That the use of the trademark, CAROLITE, infringes plaintiff's trademark, K-LITE; and,

C. The supplying of panels to fixture manufacturers without a mark on the lighting panel (such as the quarter inch ( $\frac{1}{4}$ " ) transparent mark which plaintiff places on the panel) constitutes contributory palming off and unfair competition.

These causes of action will be discussed below.

**A. The Use by Defendant of Alphanumeric Designations Which Are Distinct From Plaintiff's Alphanumeric Designations Along With the Performance of Additional Proper Acts Does Not Constitute Unfair Competition.**

The plaintiff's theory which may be referred to as the "predatory plan" theory rests on there being a valid trademark in the alphanumeric designations. (The non-existence of a trademark is fully considered in the Brief of Sunbeam which is incorporated herein by this reference. The failure of plaintiff to establish a trademark defeats this appeal). According to the plaintiff the existence of the alleged trademark along with (doubtful) confusingly similarity becomes unfair competition when coupled with a predatory plan. The need for a predatory plan admits that the alphanumeric designations of defendants are not in themselves confusingly similar to plaintiff's alphanumeric designations but require a "predatory plan" to convert them to such. The plaintiff's contentions and defendants' contentions with respect to the "predatory plan" are tabularized as follows:

TABLE I

**"PREDATORY PLAN" THEORY COMPARISON**

<u>Plaintiff's Contentions</u>	<u>Defendants' Contentions</u>
(1) Carolite's catalogs are organized like that of KSH as part of a predatory plan.	(1) a. The Carolite catalog is as much like the Corning catalog as it is like the KSH catalog [Plf. Ex. 4, 73; Def. Ex. T].

(Plaintiff's support on R429 states that the testing laboratory sheets in the Carolite catalog follow the descriptive material sheet which is the same organization as in the KSH catalog).

b. No one has been confused as to source by defendants' catalog [Def. Ex. AX, Richard Hawes Depn. p. 30].

c. The Carolite catalog is clearly marked having its name on the front cover in large print and having the names of defendants on most pages a plurality of times. Plaintiff's catalog is blue-green; defendants' is gold [Plf. Ex. 73].

d. The catalog was designed by an independent designer with the aid of the President of Carolite having many catalogs in front of them including the KSH catalog [R. 470].

e. The separate pages of the catalog are copyrighted but there is no copyright infringement charged by plaintiff.

(2) Carolite uses the same engraver as KSH for some of its patterns as part of a predatory plan. [Plf. Ex. AY-R. 13.]

(2)

a. Carolite learned of the particular engraver from its foreman who was a former employee of a company in no way connected with KSH and other persons [Plf. Ex. 168, Larry Wellen Depn. pp. 21-22; Pltf. Ex. 167,

Richard Carroll Depn. p. 8].

b. The engraver is a competent one and of sound reputation [Plf. Ex. 168, Larry Wellen Depn. p. 22].

c. No person has been confused or likely to be confused as to source by defendants using this same vendor.

d. No trade secret or breach of confidentiality is alleged.

(3) Carolite employs the same testing laboratory and testing sheet format as part of a predatory plan.

(3)

a. The testing laboratory approached Carolite to do testing for them [R. 405; Plf. Ex. 168, Larry Wellen Depn. p. 22].

b. The testing laboratory sheet inserted in the catalog is as prepared by the testing laboratory and is substantially similar to the testing sheet given other of its clients [Def. Ex. U; Plf. Ex. 73].

c. Equal testing conditions are necessary to facilitate the showing of equal performance in order to sell manufacturers and to enable manufacturers



to obtain approval on or equal specifications.

d. No person has been confused or is likely to be confused by the use of the same testing laboratory.

(4) Advertisements of tedlar prior to actual production.

(4)

a. There is no showing in the record that KSH was the originator of Tedlar coated panels but only they were the first to advertise.

b. The evidence shows that defendants were able and willing to supply as soon as ordered after any advertisement [R. 480].

c. The evidence shows that defendants may have been the originator along with Dupont of the use of Tedlar on plastic flat prismatic panels [R. 457-460].

(5) The alphanumeric designations used by Carolite were part of the predatory plan.

(5)

a. It is common throughout the industry to use alphanumeric designations as catalog numbers. e.g. P-4 is a Rohm & Haas pattern similar to K-4 [Plf. Ex. 190; R. 27].

b. Alphanumeric designations employing K are used by fixture manufac-

turers to designate fixtures as well as prismatic patterns [Def. Ex. AA-AE].

c. Alphanumeric designations are descriptive or were not intended to be employed as indications of source [Finding of Fact 17, Vol. II, R. 44; R. 475; R. 695; R. 702; R. 1030; R. 1020; R. 955].

From the above comparison, it can be seen that plaintiff attempts to piece together a group of otherwise individually proper facts into a cause of action for unfair competition. It is submitted that the acts of defendants is consistent with the policy of encouraging competition and good business practice. To learn from a competitor and to adopt those practices of a competitor which are good business practices is completely proper so long as a fraud is not perpetrated on the public and so long as the competitor's patent, trademark and copyrights are not infringed upon. *Sears, Roebuck & Co. v. Stiffel Company*, 376 U.S. 225, 84 S. Ct. 784 (1964).

The predatory plan theory becomes even more untenable when the facts are viewed chronologically. When the defendants went into business, a time at which this predatory plan presumably came into existence, the plaintiff was selling only the panels having the K-4 pattern and the K-5 pattern. The catalog which plaintiff now distributes was not in existence [Plf. Ex. 40]. The catalogs then distributed by plaintiff was different than that which it later distributed [Plf. Ex.

5 and 6]. The catalogs distributed by plaintiff at that time referred to the K-S-H panels as "Type K-4" prismatic panel and "Type K-5" prismatic panel which is a descriptive use of the terms. These alphanumeric designations (e.g., K-4 and K-5) had been in use for approximately four years and there had been no attempted trademark registration and plaintiff did not indicate on any of its literature that such were trademarks. Both K-LITE and K-S-H were registered trademarks and the company had a policy of registering its trademarks [Def. Ex. AY, Leo Stahlhut Depn. p. 59; Def. Ex. AX, Richard Hawes Depn. p. 22].

At the end of 1962 when Carolite ordered its embossing rolls from Roehlen Engraving, plaintiff had purchased the embossing rolls for the K-4 pattern from a different engraver and had only purchased the embossing rolls for the K-5 pattern from Roehlen Engraving [Def. Ex. AY, Leo Stahlhut Depn. p. 18; Plf. Ex. 3, para. 19]. From this it can be seen that when the defendants entered into the business of manufacturing and selling flat prismatic panels and adopted its trademark CAROLITE, first pattern and pattern designations most of what plaintiff complains about was not in existence. Most of what plaintiff complains about came into existence over the next two and a half year period as defendants' business grew and it became one of plaintiff's most important competitors on the West Coast [Def. Ex. BC, Ljubo Rozsypal Depn. pp. 18-19].

The cases which plaintiff cites to support the predatory plan theory are easily distinguishable. In *Midwest Plastics Corp. v. Protective Closure Co.*, 205 F. 2d 747 (10th Cir. 1961), the defendant had made a studied

copy of the plaintiff's catalog, placed numbers on the product which indicated they came from the plaintiff, and purchased defendants' products and sold them along with some of its own products. The products sold were identical and of the same color when the color was clearly non-functional. In the instant case, the defendants' catalog is clearly different from the plaintiff's catalog with defendants' name placed in large lettering on the front cover and on every page and with the format and coloring of the catalog as well as the substance clearly different. The plaintiff's catalog is in part protected by copyright but copyright infringement is not charged by the plaintiff. The defendant in the instant case placed the products in boxes clearly marked with the name CAROLITE [Finding of Fact 15, Vol. II, R. 43].

The facts in the other relevant case which plaintiff refers to, *American Safety Table Co. v. Schreiber*, 269 F. 2d 255 (2nd Cir. 1959), are summarized on page 276 wherein it is stated that the unfair competition in that case was based on the following facts:

“(1) simulation of machines to the last detail including castings of Amco serial numbers, when numerous distinguishing alternatives existed;

(2) the use of Amco parts in machines marketed by Schreiber and Goldberg;

(3) several instances of misleading advertising; and,

(4) several instances of customer confusion in making complaints, seeking replacements, and requesting repairs.”

All the above listed facts are substantially different or not present in the instant case. With respect to the



simulation of products in the instant case in order to obtain a status of being an "equal" when a competitor's product is specified by an engineer, it is most important that the product be as close to identical as possible. The plastic panel involved in the instant case has no decorative feature or detail which was not essential to its performance. The defendants' products in the instant case did not use parts of the plaintiff's nor were the serial numbers of the plaintiff placed on the products of defendants. Carolite, Inc. places its name prominently on each and every advertising or other piece of literature it hands out and frequently indicates that it is a plastic extruder [Finding of Fact 15, Vol. II, R. 43]. And finally there were no indications of confusion as to source from customers of defendants or plaintiff. (Most of the confusion in this case arises out of plaintiff's position with respect to confusion. Compare pages 23, lines 29-32; page 20, line 7; and page 37 line 6 of plaintiff's brief).

A case virtually on all fours with respect to the instant case is *Fram Corporation v. Boyd*, 230 F. 2d 931 (5th Cir. 1956). In this case the plaintiff and defendant manufactured identical products placed in substantially similar colored boxes with their respective names thereon and employed substantially the same alphanumeric designations to identify identical products. For example, the plaintiff employed C-4, C-21, C-100, etc., and the defendant employed B-4, B-21, B-100, etc. The court held in this case that there was no unfair competition or trademark infringement.

Some other cases pertinent to the facts of this case are: *Wolfe & Vine, Inc. v. Pioneer Display Fixture Co.*, 142 USPQ 112 (N.Y. Sup. Ct. 1963); *Electric*

*Auto-Lite Co. v. P. & D. Mfg. Co.*, 78 F. 2d 700 (2nd Cir. 1935); *Day-Brite Lighting, Inc. v. Sandee Lighting Manufacturing Co.*, 286 F. 2d 596 (7th Cir. 1960); *Mattel Inc. v. Goldberger Doll Mfg. Co.*, 200 F. Supp. 517 (E.D. N.Y. 1961).

The *Wolf* case involved female mannequins having a modernistic novel appearance. The plaintiff who was the originator of such mannequins sued the defendant for unfair competition based upon the defendant's identical copy of plaintiff's novel mannequins which appearance was clearly nonfunctional. In addition, the plaintiff called its mannequins "Les Femmes" and "sha Paree girls" while the defendant called its "Fashionettes" or "Parisettes." In addition, the defendant used catalog numbers employing some of the same digits. In holding against the plaintiff in this case, the court followed the *Sears* and *Compco* cases and stated:

"While it has been found that the plaintiff herein is not entitled to recover herein even under the expanded doctrine of unfair competition which has emerged in recent years, that finding is further buttressed by the very recent decisions of the United States Supreme Court which have sharply delineated and curtailed the permissible limits of the doctrine. That court has clearly held that a state cannot by forbidding unfair competition give protection of a kind that clashes with the objectives of the Federal patent laws. In that regard, mere inability of the public to tell two identical articles apart is not enough to support an injunction against copying or an award of damages for copying that which the federal patent laws permit to be copied, and where the article is unpatented

and uncopyrighted, a state may not prohibit the copying of the article itself or award damages for such copying. . . .

The court further defined its position by clearly holding that the fact that an article copied from an unpatented article could be made in some other way, or that the design is 'nonfunctional' and not essential to the use of either article, or that the configuration of the article copied may have a 'secondary meaning' which identifies the maker to the trade, or that there may be 'confusion' among purchasers as to which article is which or as to who is the maker, none of these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling regardless of the copier's motives. . . ."

The plaintiff's case with respect to the defendants, is substantially weaker than that which was presented to the court in the *Wolf* case. The plaintiff is not the originator of prismatic patterns and there is very little, if anything, that is novel about its patterns. Many of the patterns were in existence for many years prior to anything which the plaintiff did. The prismatic patterns are clearly functional as contrasted with the nonfunctional feature of the appearance of the mannequin in the *Wolf* case. The products which the defendants in this case sell are merely components of a larger and more complex assembly. These components are bought by sophisticated fixture manufacturers after personal solicitation by the defendants. All of the facts make this case a much stronger one for the defendants than existed in the *Wolf* case for the defendants who were successful therein.

In the *Electric Auto-Lite* case, *supra*, the plaintiff was a manufacturer and supplier of electric ignition systems for automobiles and complete ignitors, generators and incidental equipment. The defendant was a manufacturer and supplier to jobbers, for distribution through service stations and garages to car owners, of a line of repair and replacement parts for ignition systems, ignitors, generators and motors manufactured by plaintiff. The defendant in selling replacement parts employed a trademark comprising a circle with the letters "P & D" while plaintiff employed a trademark having a circle and an "AL" within the circle. The defendant in its catalogs included its code numbers followed by the plaintiff's code numbers in parenthesis and the statement, "to fit Auto-Lite." The code numbers which the defendant adopted were AU-1, AU-2, etc., to designate various parts. The parts that defendant sold were functional and substantially identical to those of the plaintiff. The court in holding for the defendant stated (p. 703):

"There is no deception or unfair competition in copying a part of an unpatented article and selling it as such . . . (citation of cases) It is not unfair to use the name of a well-known article and label a repair part if it be used in a fair way and simply to indicate that the part is made to fit the article. Therefore the use of the phrase "to fit Auto-Lite," and reference to the plaintiff's corresponding numbers which describe the parts, was permissible. . . . (citation of cases)"

The facts in the *Auto-Lite* case are substantially similar to those in the instant case and its principles apply here with equal force.



The *Day-Brite* case, *supra*, is strikingly similar to the instant case in that it involved extruded panels for the lighting fixture industry which were supplied by K-S-H, the plaintiff in this case, to Day-Brite. Sandee, the defendant, like the defendant in this case, sold a substantially identical panel to lighting fixture manufacturers other than Day-Brite. The products of Sandee were distributed in substantially the same manner as the defendants in this case distribute their product. The Court summarized the defendants activities in that case by saying on page 597:

“Defendant is in the business of manufacturing and selling extruded plastics, including panels for lighting fixtures. Defendant does not manufacture or sell lighting fixtures but sells its panels to manufacturers who in turn incorporate such panels in their lighting fixtures and sell them, under their respective names, through electrical distributors and electrical contractors. Defendant sells its panels through its own salesmen direct to its lighting fixture manufacturer customers, and defendant’s advertising is by direct mail to such customers.”

Thus, there is a striking similarity in the marketing factors involved in the two cases. (It is interesting to note that the counsel for plaintiff Day-Brite in that case, is the counsel for plaintiff in this case and that there was a patent involved in the name of Leo Stahlhut and others.) In holding against the plaintiff on his count for unfair competition in that case, the court stated on page 600:

“In any event, it has been held that the mere copying of the design of an invalid patent does not constitute unfair competition. This Court, in

Zangerle & Peterson Co. v. Venice Furniture Novelty Mfg. Co., 7 Cir., 133 F.2d 266, 269, stated:

'The defendant frankly admits it copied the plaintiff's table. If the plaintiff never had a patent, then the mere act of copying did not amount to unfair competition.'

To the same effect is another decision by this Court, *Sinko et al. v. Snow-Craggs Corp.*, 7 Cir., 105 F. 2d 450. See also *General Time Instruments Corp. v. United States Time Corp.*, 2 Cir., 165 F. 2d 853, 854.

"The cited cases, after holding that the mere copying of a non-patented design is not sufficient, discuss and point out what the plaintiff must clearly prove in addition thereto in order to make a case of unfair competition. The principal elements are that the defendant represent its goods as those of the plaintiff, sometimes referred to as 'palming off,' or that there be shown a 'secondary meaning' as to source, that is, that the public has been deceived into the belief that defendant's design emanated from the same source as that of the plaintiff. In our judgment, plaintiff failed to make such proof. *It is true the Court found that the public was likely to believe that defendant's panels were plaintiff's Cleartex panels* and that the trade associates the appearance of Cleartex panels with plaintiff and its trademark 'Cleartex.' Such findings, however, do not support the essential elements of 'palming off' or 'secondary meaning.' The fact, if such it be, that there was confusion in the minds of the public because of the similarity between plaintiff's and defendant's prod

uct bears upon the infringement issue if the patent had been held valid. *It is immaterial, however, to the issue of unfair competition because, as we have shown, the mere copying of a non-patented article or design, absent the other essential elements, does not constitute unfair competition.*" (emphasis added).

The *Day-Brite* case, *supra*, is similar to the instant case with the exception that the alphanumeric designations of plaintiff and defendants were not in issue. The case was more favorable for the plaintiff in that, contrary to the instant case, the plaintiff was held to have designed a new, original panel with decorative appeal.

In the *Mattel* case, *supra*, the plaintiff sold an 11½ inch tall doll in a black and white striped bathing suit packed in a box with the name "Barbie" thereon. The name "Barbie" was a registered trademark of the plaintiff. The defendant sold a substantially identical doll in a black and white striped bathing suit and named "Babette" with such name placed on the box or package in letters from ⅜ to ¾ inch high. The defendant was the manufacturer who sold to some retailers who in turn on occasion advertised defendant's doll as a "Barbie Type." In the *Mattel* case, the Court held that trademark infringement and unfair competition did not exist as to the manufacturer. It should be noted that in the *Mattel* case the facts with regard to the defendant are not as favorable as those which exist with respect to the defendants in this case. The defendants in this case operate in a market of sophisticated purchasers of a technical product which is a component as contrasted with the *Mattel* case wherein a consumer

mass-market product was involved. In addition, the appearance of the doll in the *Mattel* case was non-functional in nature and had received considerable public acceptance due to the creative activity of the plaintiff. These facts do not exist in the present case. The defendant Carolite's goods are functional and the plaintiff was not the creator of such goods. Finally, plaintiff's name is substantially different from that of defendants' while in the *Mattel* case "Barbie" and "Babette" had a certain suggestive similarity. All in all, the *Mattel* case is clear authority for holding that the defendants in the present case have not committed unfair competition by their acts.

In summary, the plaintiff has not established any fraud on the public. All of the cases which plaintiff relies upon require in essence a fraud on the purchaser. There is no such showing of fraud in the present case. The facts presented in this case are more consistent with the prior decisions cited and discussed above by the defendant which hold that there is no unfair competition in such a situation.

- (1) **The Findings of Facts That the Alphanumeric Designations Are Descriptive, That There Was No Likelihood of Confusion or Actual Confusion, and That There Was No Intent to Palm Off Arising From the Issuing of a Catalog by Defendants, the Use of Alphanumeric Designations on Identical Products, the Use of ITL and Roehlen Engraving Are Within the "Clearly Erroneous Rule."**

The evidence as to the descriptive nature of the marks was clearly supported by a host of witnesses (Root, Simmons, Marx, Grant, Wigodner, Rosenblatt, Wade, etc.) and controverted by a few witnesses of the plaintiff (Glass, Perry, etc.). Similarly, there was



controverted facts introduced as to the likelihood of confusion and the intent to palm off. See Table I. It has been held in the 9th Circuit that in cases where there are disputed facts, the clearly erroneous rule is applicable [Federal Rules of Civil Procedure, Rule 52(a)]. In the case where the facts are undisputed then the clearly erroneous rule would not apply. Compare, *Fleischmann Distilling Corporation v. Maier Brewing Company*, 314 F. 2d 149 (9th Cir. 1963); *Audio Fidelity Inc. v. High Fidelity Recordings, Inc.*, 283 F. 2d 551 (9th Cir. 1960), Cf. *Rolley, Inc. v. Younghusband*, 204 F. 2d 209 (9th Cir. 1953). It should be noted that the *Fleischmann* case was a trademark suit which involved the question of likelihood of confusion. The predatory plan theory of plaintiff is an unfair competition type of cause of action and it has been held in other circuits and in California State Courts that unfair competition is a question of fact, *Cleo Syrup Corporation v. Coca-Cola Co.*, 139 F. 2d 416 (8th Cir. 1943); *Kendall v. Trico Products Corporation*, 31 F. 2d 522, (6th Cir. 1929); *Brown & Bigelow v. B B Pen Co.*, 191 F. 2d 939 (8th Cir. 1951); *James Heddon's Sons v. Millsite Steel & Wire Works*, 128 F. 2d 6 (6th Cir. 1942), and that secondary meaning is a question of fact. *Speed Products Co. v. Tinnerman Products*, 222 F. 2d 61 (2nd Cir. 1955); *Family Record Plan, Inc. v. Mitchell*, 172 Cal. App. 2d 235, 342 P. 2d 10 (Cal. Ct. App. 1959).

It is submitted that the predatory plan theory of plaintiff is a question of unfair competition involving disputed facts and inferences. For this reason, the findings of fact pertaining to the intent to palm off, likelihood of confusion, descriptive nature of the alphanu-

meric designations which are the integral facts in this theory should not be overturned unless clearly erroneous. The facts and support therefore as set forth in the Statement of the Case support that each and every one of the Lower Court's findings are clearly and strongly supported in the record. See Table I.

**(2) There Is No Actual Confusion or Likelihood of Confusion as to Source Arising From Carolite's Use of the Alphanumeric Designations C-4, C-55, C-11 and C-12.**

It is plaintiff's position that this case primarily involves the question of confusion with respect to lighting engineers and fixture manufactures (Plaintiff's Br. p. 30). First, the K and C are distinctly different both phonetically and visually. If K is similar to C, then isn't K also similar to R and isn't it also similar to A and perhaps even P, Z and T. At what point in the alphabet does the similarity between various alphabetical letters begin and end and at what point does plaintiff's monopoly on the alphabet end. It is submitted that in a market catering to engineers, architects, and fixture manufacturers who commonly deal in catalog numbers and symbols, the K and C are distinctly different.

Assuming for the sake of argument that there is some similarity between a K and a C, the fact still remains that neither the lighting engineers nor fixture manufacturers are confused as to source by the use of the alphanumeric designations, C-4, C-55, C-11 and C-12. With respect to the fixture manufacturers, there is clearly no confusion as to source (Plaintiff's Br. p. 37). The fixture manufacturer typically orders by telephoning a call to the particular panel manufacturer

being familiar probably with more than a single panel manufacturer [Finding of Fact 15, Vol. II, R. 43]. The telephone call must be placed by first knowing the name of the manufacturer to which the order is to be telephoned. This, of course, requires knowledge of the manufacturer's name and location. A fixture manufacturer after telephoning the order to the panel manufacturer then places a written confirming order [Finding of Fact 15, Vol. II, R. 43], the order generally at the top indicates the manufacturer by name from which the fixture manufacturer seeks to purchase [Plf. Ex. 74, 75, 82, 83, 84, 70]. The order blank also usually contains a description portion wherein the pattern that is sought to be purchased from the particular panel manufacturer is described by convenient terms. It is in this portion of the order that the alphanumeric designations are employed to describe the pattern [Plf. Ex. 74, 75, 82, 83, 84, 94]. When the order is eventually shipped by the particular panel manufacturer and by CAROLITE, in particular, it is shipped in boxes with the name CAROLITE clearly displayed thereon [Finding of Fact 8, Vol. II, R. 41]. The shipment contains a packing slip indicating the contents and again indicating the manufacturer and describing the products contained therein [Finding of Fact 15, Vol. II, R. 43]. And finally, the fixture manufacturer is invoiced by the defendant with the defendants' name again appearing on the invoice [Finding of Fact 15, Vol. II, R. 43], and eventually the defendants may be paid by checks made out to the defendants. These transactions occur time and time again with respect to particular fixture manufacturers and panel manufacturers. The relationship between compo-

ment supplier and fixture manufacturer is a continuing one and a repeated one. From the very nature of this transaction between the fixture manufacturer and the panel manufacturer, it seems virtually impossible that the fixture manufacturer could at all be confused as to the source from which he was purchasing. This, of course, was borne out by the testimony of virtually every fixture manufacturer that testified. Not one testified that he was confused as to source.

The only fixture manufacturer that plaintiff could uncover that stated he had some confusion was the Executive Vice President of Lighting Products, Inc. located in Chicago (It is interesting that this witness is a client of counsel for plaintiff and previously appeared as a witness called by counsel for plaintiff in another case [Plf. Ex. 106, Glass Depn. pp. 18-20]). The Executive Vice President of Lighting Products, Inc. had no knowledge of Carolite, Inc. prior to the filing of the suit nor did they ever purchase products from Carolite, Inc. This witness' answer on confusion was therefore completely hypothetical, and after prodding, the witness stated that he would have looked up the meaning of C-12 in the catalog and upon finding the sheet in the catalog would not be confused at that point [Plf. Ex. 106, Glass Depn. pp. 21, 47-48]. It seems that even in the hypothetical questions asked, the witness from Lighting Products, Inc. was not likely to be confused as to source.

With respect to specifiers, that is engineers or architects, the confusion or likelihood of confusion is completely illusory. It matters not what alphanumeric designations the particular panel manufacturer employs as the specifier does not buy panels from the panel



manufacturer. The specifier may never come into contact with the panel manufacturer in any regard other than via a catalog which is clearly identified by the various panel manufacturers. If it is plaintiff's catalog, it will say K-S-H on it. If it is defendants' catalog, it will say CAROLITE on it. Alternatively, the specifier may select a fixture from a fixture manufacturer's catalog and in that instant, the fixture to be supplied is described in the particular catalog. There is usually photometric data in the catalog with respect to the entire fixture including a lens. This is data developed by the fixture manufacturer. The specifier selects the fixture based upon the data supplied in the fixture manufacturer's catalog and so long as the fixture has the defined characteristic the specifier has little if any concern. In any event, when a specifier desires the product of a particular manufacturer it is customary to spell out the manufacturers name [R. 863-864; R. 1019; and R. 982].

In attempting to support its position that the specifiers are confused, the plaintiff refers to the testimony of Mr. Simmons (Appellant's Br. p. 20, second complete paragraph) wherein the testimony in essence states not that Mr. Simmons was confused but that he would have to look up the meaning of the C-4 lens in a catalog to determine its contour. This testimony indicates that Simmons did not know what the product configuration was rather than being confused as to source. The testimony of the Executive Vice President of Lighting Products, Inc. and Mr. Simmons agree in the sense that when a specifier or person of skill in the lighting field see a symbol that they do not understand or know the meaning of, it would be looked

up in a catalog to determine the meaning. This lack of knowing what the symbols mean is not a point of confusion but strictly a statement that there is a lack of knowledge. There is no confusion or likelihood of confusion as to source shown by the testimony of Mr. Glass or Mr. Simmons.

With respect to the specifiers and the possibility of confusion at that point, one case which should be considered is *American Brake Shoe & F. Co. v. Alltex Products Corp.*, 117 F. 2d 983 (2nd Cir. 1941). In this case the plaintiff supplied brake shoe lining under the mark American Brakebloks and the defendant marketed the same type of product under the name National Brake Block. These products were manufactured by the respective plaintiff and defendant and sold through distributors and then to repair shops and service stations. Some of the defendant's salesmen suggested that the service stations or servicemen substitute the defendant's products for the plaintiff's products. In response to this situation, the court held that the defendant (component manufacturer) had not committed unfair competition and stated (p. 984):

"Here too the repair shops and service stations are themselves not misled; they know what they want and they get it. One of them did indeed say that he was a little confused by the defendant's title 'National Brake Block'; but not even he had bought the defendant's lining for the plaintiff's. It is the car owners whom the repair shops and service station deceive, for there are owners who prefer the plaintiff's linings and expect to get them when they ask for 'brake block.' Yet when an owner takes his car to the shop he does not watch it

while it is being relined; or, if in rare instances he may, which does not appear, he does not know what lining is put on. Ordinarily he goes away, and when he comes back, he takes the car as it is delivered to him. If a dishonest repair shop or service station has meanwhile substituted the defendant's lining, the defendant's use of the word 'brake block' has not helped him in the fraud. The use of the name can injure the plaintiff only in so far as it results in mistaken buying by the last buyer who accepts the goods because of their name, and the owner is not such a buyer. To succeed, the plaintiff was therefore bound to show that repair shops or service stations were deceived, and that it failed to do."

This case is particularly analogous to the instant case with respect to the use of alphanumeric designations by a component supplier. Regardless of what alphanumeric designation the defendant used, it would not alleviate or contribute to any likelihood of confusion or actual confusion with respect to the specifier.

To further attempt to support likelihood of confusion, plaintiff states that there were many misdirected orders. A misdirected order by definition is an order intended to be sent to one manufacturer but sent to another manufacturer. It is not an order that is sent to one manufacturer and intended for such manufacturer but containing thereon clerical errors, pattern descriptions or errors in processing. In no situation, referred to by plaintiff as a "misdirected order" were witnesses called on by plaintiff to state their intention with respect to such "misdirected orders," notwithstanding that Smoot Holman, Acme, Globe Illumination

Company, and Nu-Lite personnel were subject to subpoena. Globe, Acme, and Nu-Lite personnel did testify and the deposition of Wellmade personnel was introduced. During the testimony of these witnesses, the plaintiff did not ask the persons from Globe, Acme, or Nu-Lite whether such orders were intended for the manufacturer that received them. The personnel from Nu-Lite, Acme, Globe and Wellmade testified that to them the K numbers were indicative of pattern and not a particular manufacturer [R. 904; R. 956; R. 987; R. 1020; Def. Ex. BB, Leo Givens Depn. p. 4]. With this in mind, the orders from Nu-Lite, Acme, Wellmade and Globe having K numbers in the descriptive portion of the order to Carolite could not be considered anything more than a description of the pattern that Nu-Lite, Acme, Wellmade or Globe wanted from Carolite. This, of course, was not a misdirected order. Consequently the use by them in their orders of a K or C would not indicate the desire to order from a source other than one to whom the order was sent by mail and prior to that ordered by telephone. The using of the alphanumeric designations on various orders is consistent and in support of the proposition that such designations are indicative of pattern. The testimony of one fixture manufacturer employee in this respect is as follows:

“Q. Have you ever ordered K-5 or K-4, K-11 or K-12 from Carolite? A. I have.

Q. Have you ever intended when you made such purchase order to obtain a product made by a K-S-H Plastics? A. I don't get it.

Q. Well, you have testified, I believe, that you have ordered plastic panels from J. W. Carroll &



Sons or Carolite, using the terms either K-4, K-5, K-11 or K-12, isn't that true? A. That's right.

Q. When you have made such purchase order, have you intended to secure a product manufactured by Carolite or J. W. Carroll & Sons? A. Just from J. W. Carroll & Sons.

Q. Have you intended when you place such order using the K number with J. W. Carroll & Sons, to receive a product received (produced) by K-S-H Plastics? A. No I don't.

Q. Mr. Grant, I show you plaintiff's Exhibits 76 and 77 previously marked and offered into evidence and received in evidence and can you identify those purchase orders for us? A. Yes. This was the purchase order for K-5 clear styrene. The size was given to J W. Carroll & Sons written by myself.

Q. *What product did you intend to secure from J. W. Carroll & Sons when you wrote that purchase order?* A. *Well, I intended to receive 600 panels of K-5 configuration.*

Q. *And who were those panels to be manufactured by?* A. *J. W. Carroll."* [R. 1002-1004].

With respect to orders from Globe which testimony is in part quoted in Appellant's Brief on page 23, the meaning of an error in processing is further explained and the myth of "misdirected orders" is further exposed by the witness in other testimony where it is stated:

"Q. In this order how did you describe to J. W. Carroll & Sons the particular configuration of the prismatic panel which you were purchasing? A. We used the number K-12, letter and number, I should say.

Q. Are you aware that J. W. Carroll & Sons have not used the designation K-12 in its trade catalog? A. I am.

Q. Thank you.

The Court: What do they use in their trade catalog? C-12?

The Witness: Yes, they do.

The Court: Why didn't you use C-12?

The Witness: Well, in this case it was a clerical error, I believe. It is hard to say what was placed in there in March of 1965. You can't always remember back why you did things.

The Court: *You mean to say you intended C-12 and put down K-12?*

The Witness: *Let me put it this way, Your Honor. When we buy from Carroll, we know exactly what we are getting.*

Q. *Do you use the designations K-12 and C-12 interchangeable?* A. *For the most part, yes.*

Q. *And they both describe a pattern, is that correct?* A. *That is correct.*

The Court: Did you ever order from K-S-H a C-12 or a C-4 or C-5 pattern?

The Witness: We may have, I don't recall any specific instance. But you must remember that we place hundreds of purchase orders." [R. 907-908].

The plaintiff refers to several orders to Plastic Specialties (distributor of plaintiff on the West Coast) describing the panels requested as C-12 panels in the description portion of the order blank.

In these situations the testimony of one of the employees of Plastic Specialties (Plaintiff's distributor)

on the ordering procedure and the specific orders mentioned in plaintiff's brief is as follows:

“Q. Now with respect to your local fixture manufacturers is a—are the higher percentage like a company like Globe, would they always call their phone orders in, would they always first call their orders in by phone? A. Yes, I would say 90% of the time, 95%.

Q. And what do you do when you get a phone order from a company like Globe? A. We write up the order on a hand written form on an inter-office order pad.

Q. And when the confirming order comes in from a company like Globe or any other fixture manufacturer, what would you do? A. This is checked against the written order.

Q. And if there is a discrepancy between a written order and a telephone order, what would you then do? A. Then you call the manufacturer and question it, to get it clarified.

Q. So if you receive an order that says on it CAROLITE, have you ever received such an order? A. That is stipulating the word CAROLITE?

Q. Yes. A. No, Sir.

Q. Have you ever received an order that said J. W. Carroll & Sons? A. No, Sir.

Q. Now, if there was a discrepancy between a phone order and a verbal order with regard to the alphanumeric designation employed in the description portion of the order, would you make a telephone call? A. Yes, sir, we would.

Q. And you would call up and what would you ask the particular fixture manufacturer? A. A change order, if it is an error.

Q. And what would he say? A. In some cases, they will issue a change order.

Q. For what? A. In some they say verbally just to change it. This was a typographical error.

Q. They would say it is a clerical error, wouldn't they? A. Yes.

The Court: Now you said that you never got any order having the word CAROLITE. Did you ever get an order having the letter C?

The Witness: Yes, Sir.

The Court: C and a number?

The Witness: Yes, Sir.

The Court: When you do that, would you call up to find out what they meant?

The Witness: Yes, we would.

The Court: And try to straighten it out?

The Witness: Correct.

The Court: Then as far as you are concerned, as far as your firm was concerned, you were never misled by the use of the word, the letter C, because the minute you saw the C you called up to find out to straighten this matter out, is that right?

The Witness: Yes, we had to." [Henry Smith, R. 358-370].

From this testimony, it can be seen that the likelihood of confusion in accordance with industry practices is remote.

In summary, the use of alphanumeric designations interchangeably as a description, the use of alphanumeric designations as a description, clerical errors, proc-



essing errors all support the position that there were no misdirected orders. The fixture manufacturers called and sent the orders by mail to the manufacturer from whom they intended to purchase panels. This coupled with the lack of any testimony or other evidence on the likelihood of confusion or actual confusion weighed against the facts of careful ordering procedures, a technically skilled market, personal day-to-day selling and repeated purchases from a single panel manufacturer, common use of catalogs and alphanumeric designations, the phonetic dissimilarity of the K numbers and C numbers as well as the visual dissimilarity, all dictate the conclusion that there is no likelihood of confusion or actual confusion with respect to the alphanumeric designation.

**(3) The Use of a Catalog Having a Vinyl Binder Cover and Testing Laboratory Reports From the Same Vendor Could Confuse No One.**

There is no finding that the catalogs of plaintiff and defendants are similar. To the contrary, a viewing of the catalog in side by side relationship will indicate they are substantially different [Plf. Ex. 4, 73]. The Carolite catalog is gold while the K-S-H catalog is green-blue. The Carolite catalog has its name in large letters on the side and on the front of the cover and at least once on every page in the book in relatively large letters. Each section of the catalog is divided by a notebook divider having the name Carolite in large letters thereon and color coded for each different product. Not only is the notebook divider color coded in the Carolite catalog, but every sheet within the section bears a similar color coding including the Independent Testing Laboratories' reports which sheets are printed in appropri-

at color code printing. The layout of each page is distinctly different from the layout of the pages in the K-S-H catalog with the Carolite name appearing at least four times on each of the descriptive pages. The catalog directs the specifier to specify products as follows: "(polystyrene), (Acrylic), Prismatic sheet shall be CAROLITE C-4 as manufactured by CAROLITE, INC. Material shall meet . . ." The descriptive sheets are followed by the color coded testing laboratory sheets which are in substantially the same form as supplied by Independent Testing Laboratories. The name Carolite, of course, appears on these sheets.

The K-S-H catalog has a one color format throughout the catalog with the ITL sheets all in the same color as supplied. The sheets describing the product in the K-S-H catalog are completely different than those of Carolite and there is no material whatsoever copied from these catalog sheets. This is supported by the fact that many of the sheets are protected by copyright and the plaintiff has not charged the defendants with copyright infringement. The differences between the catalog is further supported in statements of officers of the plaintiff that they knew of no one confused by the catalogs [Def. Ex. AX, Hawes Depn. p. 30].

The defendants' catalog concludes with a description of its manufacturing processes and facilities. Quoting from this section of the catalog, it is stated:

"CAROLITE, INC., the manufacturer of Carolite enjoys the position of the West Coast's largest and most quality minded plastics extruder.

Operating in a modern 50,000 square foot plant with the most up-to-date equipment, Carolite, Inc.

is responsible for over 75% of all plastic side and bottom diffuser panels used by Western fluorescent manufacturers.

The people who make up Carolite, Inc. are perhaps the most competent in their field. In an industry, barely 20 years old, the top half dozen technical personnel total over 105 years of plastics experience. J. Warren Carroll, while employed by the Visking Corporation of Chicago, built in 1943, the world's first setup for the production of vertically blown polyethylene film. The direct result of this innovation is an industry which now uses in excess of 500 million pounds of polyethylene annually."

This type of advertising and presentation clearly indicates that by their catalog the defendants were attempting to build their own name, and their own good will, in an already substantial company.

The use of the same testing laboratory by defendant can cause confusion to no one but rather it provides prospective buyers with a direct and exact comparison of the respective products of major West Coast competitors. The use of the same laboratory tends to remove any doubt which a prospective customer may have that the testing conditions may be different or that the accuracies of the tests are not substantially the same. This comparison is important to the specifier as well as to the fixture manufacturer who does not have his own testing facility. These testing reports may be employed by the fixture manufacturer to support the fixture manufacturer when he submits to a specifier for approval. The use of test-

ing reports by ITL in a catalog was early employed by competitors of defendant and plaintiff such as Sinko, which incorporated such testing sheets in its catalog [Def. Ex. U]. In this respect, it should be noted that the scissors curve provides a particularly pointed comparison of defendant and plaintiff's products with respect to certain of their competitive products. The scissors curve standard is not met by plaintiff's products, in some instances where the scissors curve is completely met by the defendants' products. This may indicate in the minds of some purchasers that defendants' products are superior to that of plaintiff. Thus, the inclusion of the scissors curve which is a recommended test is particularly advantageous to defendants [Def. Ex. AY, Stahlhut Depn. pp. 46-53].

The plaintiff in his brief asks the question why use test reports from the same testing laboratory as plaintiff. The answer is that there appears to be only two such laboratories in the country. ITL is in Boulder, Colorado and ETL is in Brooklyn. ITL approached defendant to perform such testing [R. 405]. In addition, K-S-H was the major supplier of flat prismatic panels to many of the customers of J. W. Carroll & Sons on the West Coast (*e.g.*, Sunbeam) and it was K-S-H that defendants were going to be in most direct competition with. Thus, it was important that their products be compared directly with its most direct competitor.



**(4) Carolite, Inc. Did Not Advertise a Product That  
It Was Unable to Supply.**

It is shown by plaintiff's Exhibit 98 that Carolite was having correspondence with Dupont with respect to Tedlar as early as February, 1964, more than ten months before the first announcement by plaintiff of its Tedlar product. This is certainly evidence that defendant had embarked on a program completely independent of plaintiff's advertisement and that its Tedlar program was underway long before it knew of plaintiff's Tedlar coated product. From the record, it appears that Carolite, that is defendant, was the originator of Tedlar panels rather than plaintiff. There is no indication that plaintiff was working on such products prior to the defendant. Moreover testimony as to when defendant began its Tedlar program was precluded by plaintiff's objection. The text of plaintiff's Exhibit 98 evidences that on February 27, 1964, defendants' in house program was well underway. Quoting the letter from Larry Wellen to Robert C. McCoy of Dupont, it is stated:

"I'm taking this opportunity to bring you up to date in hopes we can accelerate our program. We get back the first black light exposure results and to say we were amazed is an understatement. The light stable styrene was at a Y factor of at least 15, while the Tedlar coated piece had no noticeable change. This was 600 hours of accelerated exposure.

With the results of this test in our hot little hands, we proceeded to the number one fixture house in the country. Interest is now running high and we feel we have a winner."

This is further supported by the testimony wherein the President of defendant, Carolite, stated that they were not aware prior to October 13, 1965, that plaintiff was offering Tedlar to the industry [R. 460], that the defendant was the originator of the idea of using Tedlar on lighting panels in connection with Dupont [R. 457], that plaintiff had Tedlar in its plants prior to February 27, 1964 [R. 457], and that when it advertised Tedlar coated panels it had the ability to deliver such panels as advertised [R. 480]. Against this record, plaintiff's position that defendant falsely advertised by not having commercial quantities of Tedlar when it first advertised is wholly untenable. It seems that the irresistible conclusion is that with respect to Tedlar, defendant was a leader and plaintiff was a follower at least from a technical standpoint, if not a magazine advertising standpoint. There is no bad intent which can be extracted from such facts.

**(5) The Lower Court Has Not Erred in Making Its Findings of Fact or in Applying the Law to These Facts.**

The plaintiff complains that the court erred in not considering all of the preceding discussed acts as part of a scheme and predatory plan to appropriate plaintiff's good will. This predatory plan is supposed to convert the use of the alphanumeric designations by Carolite into an act of unfair competition. The error which the plaintiff attributes to the trial court when stripped of its niceties seems to only be that the court was not willing to make the same inferences of *mala fides* as plaintiff is so anxious to make. The trial court from an objective viewpoint saw in the defendants' actions fair competition with no confusion or likelihood of confusion resulting in the particular indus-

try. The trial court was not willing to impute a bad intention from using a catalog that was dissimilar and clearly marked, from using an engraver which had a good reputation, from using the same testing laboratory as plaintiff to obtain an accurate comparison of products (when the testing laboratory approached defendant and is in reasonable proximity to defendant) and from using alphanumeric designations which were understood in the industry to describe patterns and in common use in the industry. These acts alone or together are completely proper. There was no error in findings of the facts or in the conclusions of law derived from these facts.

**B. Carolite Has Not Infringed Plaintiff's Registered Trademark K-Lite by the Use of Its Registered Trademark, Carolite.**

In determining whether or not trademark infringement exists, the Courts have considered a number of factors. Most important among these are:

1. The phonetic and visual impression of the words. In *Sleeper Lounge Company v. Bell Manufacturing Co.*, 253 F. 2d 720, 722 (9th Cir. 1958), the court said: "... there are three tests readily applied to any trademark to determine if there has been 'identification.'"
  - (1) Is there similarity of sound?
  - (2) Is there similarity of sight?
  - (3) Is there similarity of meaning?"

*E.g., Coca-Cola Co. v. Carlisle Bottling Works*, 43 F. 2d 101, 110 (E.D. Ky. 1929); *Bunte Bros. v. Standard Chocolates, Inc.*, 45 F. Supp. 478, 481 (D. Mass. 1942). In the present case, the answer to questions (1)-(3) is clearly "no."

2. The method of distribution of the products bearing the trademarks. In this case the method of distribution by the defendants is on a personal and repetitive basis. The defendants have customers which they deal with time and time again on a personal basis and on personal solicitation. This type of distribution makes confusion at best remote. *Eg., General Controls Co. v. Hi-G, Inc.*, 212 F. Supp. 152 (D. Conn. 1962); 136 USPQ 570; *Waldes Kohinoor, Inc. v. Illinois Tool Works*, 287 F. 2d 197; 129 USPQ 73 (CCPA 1961).
3. The knowledge and sophistication of purchasers. *E.g., General Controls v. Hi-G, Inc., supra; Perma-Stone Company v. Perma-Rock Products*, 160 F. Supp. 616 (D. Md. 1958); *Oil Conservation Engineering Co. v. Brooks Engineering, Co.*, 52 F. 2d 783 (6th Cir. 1931). The plaintiff and the defendants in this respect deal primarily with fixture manufacturers who are knowledgeable people. They are completely aware of the various sources of supply for the component parts that make up their fixture. They are frequently called upon by such companies and receive literature from such companies. Thus, this factor also weighs against establishing confusing similarity.
4. The intention of the defendants in adopting its mark. *Eg., Family Circle, Inc. v. Family Circle*



*Associates, Inc.*, 332 F. 2d 534, 540 (3rd Cir. 1964); *Squirrel Brand Company v. Barnard Nut Co.*, 224 F. 2d 840 (5th Cir. 1955), cert. denied 350 U.S. 995. Three out of four of the principals have the last name "Carroll." The defendants have for years dealt in the lighting industry where a common portion of trademarks is the word "lite." The record shows the use of the words "Prescolite" [Plf. Ex. 106 Glass Depn. p. 27], "Diffusalite" [Plf. Ex. 168 Welten Depn. p. 19; Plf. Ex. 106 Glass Depn. p. 34], Nulite [R. 1000], "Formalite" [Plf. Ex. 180, Krieger, Depn. p. 9]; "Albalite" Def. Ex. 19], "Honeylite" [Def. Ex. R], and "Spirolite" [Def. Ex. EF, Sam Wigodner Depn. p. 71] in the industry to designate products. Further, the court may take judicial notice of the official acts of the heads of the executive departments of the federal government such as the issuance of the trademarks by the Department of Commerce. 20 Am. Jur. 67, 68; 29 Am. Jur. 2nd 39; *Feathercombs Inc. v. Salo Products Corp.*, 306 F. 2d 251 (2nd Cir. 1962). The Department of Commerce has issued trademarks such as 'Co-ro-lite' (No. 408,633), "Cardolite" (No. 391,140), "Cab-o-lite" (No. 674-016), "Carlite" (No. 515,529), "Air-o-lite" (No. 613,372), "Kee Lite" (No. 701,819), "San-d-lite" (No. 573,676), "Clorolite" (No. 601,579), "E-lite" (No. 696,346) and on and on. To say that

“lite” is a commonly used suffix in the lighting industry is an understatement. In adopting the word Carolite as a trademark it was the intention of defendants to use their name in a manner suggestive of the lighting industry, and the defendants’ prior activities as J. W. Carroll & Sons. The defendants had no desire or intention to defraud plaintiff.

The plaintiff misunderstands defendants’ argument and position if it thinks it asserts that a corporation has an unequivocal right to use a surname in its business. This has never been defendants’ position. Defendants’ position has consistently been that the use of one’s name as a part of a trademark is a bonafide fair and customary practice where there is not an established trademark using their name. This is especially so when the name (*i.e.*, Carroll) has good will in the particular industry. The desire to use one’s own name in a business is a natural one and one not subject to an implied bad intent.

More specifically, the courts have held where both the plaintiff and the defendants use variations of their corporate name (*e.g.*, abbreviations or derivations), then a comparison of plaintiff’s and defendants’ marks should be more liberal, that is, confusion among customers should be probable rather than merely possible. *Eg.*, *Oil Conservation Engineering Co. v. Brooks Engineering Co.*, *supra*; *Alexander Young Distilling Co. v. National Distillers Products Corp.*, 40 F. Supp. 748; 51 USPQ 41 (E.D. Pa. 1941). In this regard, K-Lite is a

variation of the corporate name K-S-H and CAROLITE was initially a derivation from the name J. W. Carroll & Sons which was the corporate name at the time of the CAROLITE trademark selection.

5. The two marks are only similar with regard to portions of the marks which are descriptive or commonly used. E.g., *Feil v. Robbins*, 220 Fed. 650, 651-2 (7th Cir. 1915); *Rohr Aircraft Corporation v. Rubber Teck, Inc.*, 266 F. 2d 613; 121 USPQ 241 (9th Cir. 1959); *Dixie Cola Laboratories v. Coca-Cola Co.*, 117 F. 2d 352 (4th Cir. 1941), cert. denied 314 U.S. 629 (1941). The word "lite" is the only similar part of defendants' and plaintiff's mark. The word "lite" is one of the most common suffixes used in lighting industry trademarks (See paragraph 4 above).

In summary, all of the factors which should be considered in determining infringement weigh heavily on the side of the conclusion of no confusing similarity. The only similarity arising out of the visual and sound test is a descriptive word commonly employed in the industry. The sophisticated nature of the market, the personal solicitation type of distribution and selling, the intention of the defendants, the unopposed registration of the Carolite mark by the Patent Office and the usage for three years without complaint from plaintiff all lead to the conclusion that the trademark infringement cause of action is completely without merit.

C. There Has Been No Palming Off by Lighting Fixture Manufacturers of Carolite Lighting Panels and Carolite Is Not Responsible for the Acts of Its Customers When It Supplies Only a Component Which the Customer May Sell Properly or Improperly.

The final theory of plaintiff is predicated upon defendants enabling fixture manufacturers to palm off panels on the purchasers of fixtures by defendants supplying a substantially identical product. Plaintiff admits that defendants have an absolute right to make and sell an identical product under the *Sears and Compco* case, *supra*. The failing of defendants which establishes an exception to the *Sears and Compco* Rule is, according to plaintiff, that defendant ships its products in boxes and places its name on the boxes rather than on the panel in a manner such as plaintiff. The mark of plaintiff is a token act as the mark is hidden when installed in a fixture or trimmed prior to installation and in any event not readily subject to identification or location. This distinction in the manner of marking is traceable to a number of relevant business facts. K-S-H ships certain of its flat prismatic panels on skids or pallets not within boxes. Thus, if it was not for the minute  $\frac{1}{4}$  inch identification on one end, even the fixture manufacturer could not be certain as to what product it had purchased or had taken from inventory. Defendant, Carolite, ships substantially all of its products in boxes with its name on the boxes (unless sold under private label).

The evidence is quite clear as to the futility of placing a transparent approximately  $\frac{1}{4}$  inch "K-LITE" mark on the end of a large (2' x 4') panel with the



mark obscured by the fixture which is in turn placed on a ceiling not perceptible by the normal viewer standing on the floor. This is at best only a gesture of a mark on the product. The reason for marking a product in this manner by K-S-H (other than because of the shipment by pallets), arises from the fact that any larger mark on the panel would create an objectionable black spot. In addition, this mark by K-S-H is part of an extrusion direction indication which is believed necessary because the K-S-H process of manufacture is directional [Def. Ex. BC, Rozsypal Depn. pp. 22-24]. The obscurity of the K-LITE mark is underscored by the testimony of the President of the plaintiff's corporation wherein the following questioning took place with respect to the marking:

“Q. Mr. Hawes, can you identify that exhibit, and by identify I don't mean the details, but just in general terms, what is it? A. It is a recessed lighting fixture.

Q. And the plastic prismatic panels of which we are speaking make up the lowermost portion, is that correct? A. It makes up the most visible portion.

Q. What would you have to to to determine whether in that fixture this panel was marked? A. You would have to open the door and take the piece of plastic out of the frame, or possibly you can look in the back end, depending on the back end construction of its, but you have to at least open the door.

Q. Could you do that for us, please? A. (Witness complying.) It is marked.

Q. That panel is marked? A. Yes. . . .

Q. Mr. Hawes, in the normal use of such fixtures, this fixture assembly would be on a ceiling, would it not? A. Yes.

Q. I take it then you would normally have to climb a ladder to do what you have just done here?

A. Yes.

Q. You have to disassemble in order to find the mark that is on the panel? A. You have to open the door.

Q. How are these marks put on the K-LITE panels? A. They are done by a process that we call hot stamping.

Q. When you just identified that panel and stated it was marked, how was it marked? A. It felt as if it was marked with hot stamping.

Q. You had to feel to see it? A. Yes. . . .

Q. The K-LITE mark is on there, is that correct? A. I don't know which mark it is.

Q. You can't identify it? A. I didn't look. There isn't enough light here. I can't see it.

Q. You can't see it? A. There isn't enough light here. . . ." [R. 45-48].

This testimony by the President of the plaintiff is a classical indication of the futility of attempting to place a meaningful mark on the panel. This is emphasized when it is appreciated in many instances the panels are trimmed by the fixture manufacturer or panel manufacturer and any mark thereon destroyed.

In summary, the marking by hot stamp such as performed by plaintiff serves no useful purpose for the following reasons: (1) In many instances the panels are trimmed before they are placed in the fixture and if

not any marking thereon would be obscured [Finding of Fact 8, Vol. II, R. 41]. [Def. Ex. BC, Rozsypal Depn., pp. 25-26]. (2) The use of a hot stamp such as employed by plaintiff produces a mark which is virtually imperceptible when the panel is outside of the fixture because there is no contrast between the mark and the panel [R. 45-48; Finding of Fact 8, Vol. II, R. 4]. The plaintiff uses this mark because it ships some of its panels on pallets rather than boxes with marking thereon [Def. Ex. BC, Rozsypal Depn. pp. 25-26]. (3) When the panel is placed inside of the fixture, it is impossible to see the mark from the fixture and not even climbing on a ladder and lifting the panel to inspect it would be likely to reveal any mark. It is extremely doubtful that a person inspecting a building would perform such an inspection of the fixtures. The reason for this is that it is the primary concern of the architect and contractor that the fixture is of the general type that it has ordered and secondly that it comes from one of the manufacturers it has specified so that in the event of any failure, it has a reliable fixture manufacturer to correct such defect [R. 862]. (4) Any readily detectable mark on an individual panel would detract from the optical appearance of the panels [Def. Ex. BC, Dozsypal Depn. p. 26]. (5) Some of the defendants' customers market the product under their own brand name and prefer no mark at all appear on the panels or boxes.

The other cornerstone for plaintiff's aiding and abetting theory is that palming off has taken place in two ways: (1) when specifiers request plaintiff's goods identified by alphanumeric designations K-4, K-5, K-11, and K-12 alone; and (2) when specifiers de-

mand plaintiff's good identified by the alphanumeric designations in connection with the name K-S-H. With respect to the latter basis for palming off, the court did not hold, as plaintiff states, that when a panel manufacturer sells a CAROLITE panel in such circumstances CAROLITE is guilty of aiding and abetting palming off. To support that statement plaintiff refers to Findings of Fact 16, Vol. II, R. 44, and Conclusion of Law VI, Vol. II, R. 46. A reading of the findings and conclusions of law indicates that only in very limited situations is Carolite guilty of aiding and abetting palming off in accordance with the Findings of Fact and Conclusions of Law. These findings and conclusions of law are as follows:

“Findings of Fact 16, Vol. II, R. 44:

Specifications prepared by lighting engineers and architects which describe or designate lighting panels with a “K-number” in conjunction with the terms K-S-H or K-LITE are a demand upon the supplier to provide a lighting panel manufactured only by plaintiff, and if a lighting panel manufactured by other than plaintiff is supplied, prior approval must be obtained from the architect or lighting engineer who prepared the specification by the fixture manufacturer.”

“Conclusions of Law VI, Vol. II, R. 46:

Defendant, CAROLITE, INC. or J. W. CARROLL & SONS, is guilty of unfair competition when CAROLITE, INC. or J. W. CARROLL & SONS, substitutes a C-4 panel for a *K-S-H K-4 panel which was so requested from CAROLITE, INC. or J. W. CARROLL & SONS.*” (emphasis added).



With respect to the possibility of palming off when the alphanumeric designations alone are used, the plaintiff to sustain a cause of action against CAROLITE must first show that there was, in fact, palming off in such situations. To sustain this position, it must show that the alphanumeric designations are, in fact, trademarks, and more than that, the plaintiff must show that in the orders or specifications when used as part of a description of a fixture these marks, if they were trademarks, were so employed by the particular specifier. Then it would seem necessary to show that when alphanumeric designations alone were employed in specifications to indicate a particular panel manufacturer this was known or should have been known to the fixture manufacturer. Once this palming off is established then it would seem that the defendants in order to aid and abet would be required to have knowledge of such specification along with the meaning of this specification and knowledge that there was no approval obtained in the particular job which it is supposedly aiding and abetting palming off. With all these facts existing, then the defendants would have to sell the panels for the particular job. A given fixture manufacturer may have numerous jobs under all sorts of specifications. When a panel manufacturer supplies panels or inventory there is no telling for what specification or for what job these panels may be used [See orders introduced by plaintiff. Plf. Exs. 74-89]. This is the responsibility of the fixture manufacturer. The component supplier is in no position to control the fixture manufacturer who is its customer or to monitor specifications on an industry basis.

The *American Brake Blok* case, *supra*, is particularly relevant as to the point of component supplier-liability. In that case the brake lining manufacturer sold its component to the service center and the service center had the election to install the brake lining requested by the customer or another one. The court therein stated in essence that the supplier of a component should not be held for the dishonest acts of a service station regardless of the similarity of the trademarks and the identity of the product. The case of *Day-Brite Lighting Inc. v. Sandee Lighting Mfg. Co.*, *supra*, is also relevant to this situation. In that case the defendant sold prismatic panels identical to that of the particular plaintiff. The marketing and distribution situation was substantially identical to that in the present case (The theory of plaintiff was somewhat different). The court in that case sustained the defendant and held that there has been no unfair competition by producing a substantially identical prismatic panel.

The attitude of the courts in applying the principle of contributory palming in a retail dealer-manufacturer situation, that is, where the retail dealer is selling the product of the defendant manufacturer as the product of another and the manufacturer of the product is charged with contributory infringement is stated in *Swank, Inc. v. Anson, Inc.*, 196 F. 2d 330 (1st Cir. 1952). There the court in considering the activity of the manufacturer and his dealers, stated:

“Nor can we say that the somewhat vague and unconvincing testimony that some dealers on occasion had sold Anson products to shoppers hired by plaintiff when they asked for Swank ones warrants the discussion of the charge of contributory unfair competition leveled by the plaintiff. . . .

The reason for this is that there is no evidence of any wide spread practice on the part of the dealers to palm off Anson items when asked for Swank products. At the most, all that appears is that a few dealers had occasionally done so, and perhaps done more by accident than design. And there is no evidence that defendant ever instructed, urged, or even suggested that its dealers sell its products in substitution for the plaintiff's products. As appeared in *William R. Warner & Co. v. Eli Lilly & Co.*, (1924) 265 US 526, 44 S. Ct. 615 . . .”

It should be noted that in the Anson case the Court was not considering the vendor who supplied parts or components (diffusers) to a manufacturer who then employed the component in assembled articles. The court was referring to a completed product manufacturer who certainly has a greater responsibility than the component manufacturer and is in a better position to control distribution of the products. Even under such circumstances where the manufacturer of the completed product was the defendant and where the trademarks Swank and Anson were well established, distinguishable and understood by the dealers, the court was unwilling to hold the manufacturer for unfair competition because on occasion some dealers sold Anson products for Swank. Similarly, see *Sylvania Electric Products v. Dura Electric Lamp Co.*, 144 F. Supp. 112 (D.N.J. 1946); *Mattel Inc. v. Goldberger Doll Manufacturing Co.*, *supra*.

In summary, the above cases state that an important consideration in a contributory palming off situation is the causation by the particular defendant, in this situation the prismatic panel component supplier. It is sub-

mitted that in the instant case, the plaintiff has not sustained the most minimal "but for" test of causation. Defendants' product is a component incorporated as part of its fixture which is marketed under the fixture manufacturer's name and a number of its own. The defendants' marketing efforts and product identification is substantially terminated with the sales to the fixture manufacturer. There is nothing that the defendants could do with regard to its product or with regard to the fixture manufacturer which would meaningfully lessen the alleged possibility of palming off other than to give up its crystal clear right to produce its patterns. Regardless of what the defendants called its product or patterns, who it employed to produce its embossing rolls or photometric data, the alleged possibility that a fixture manufacturer will palm off assuming a particular panel is requested will remain. All of the facts which plaintiff attributes to the defendants have no bearing on what happens to the product after it is sold to the fixture manufacturer.

To establish contributory palming off the plaintiff does not show a particular specification requiring K-numbers, then the meaning of the particular specification, and then plaintiff's knowledge and activities as to that particular specification. Plaintiff rather relies on unrelated facts to construct some type of insinuation or innuendo of contributory palming off. In each and every instance that plaintiff has attempted to take a particular specification having a pattern designation K-4, etc., therein and prove that defendants have palmed off with respect to such specification he has completely and utterly failed [Plf. Exs. 49-52]. The only specifier that testified with respect to a specification calling



for the prismatic panels by alphanumeric designations stated that that specification he was responsible for did not require a particular panel manufacturer [R. 863-870]. Throughout the trial, the plaintiff introduced various specifications having the panel specified by alphanumeric designation but yet never called the actual specifier to ask him what that specification meant. Plaintiff preferred to prove what a particular specification meant by persons who had never written such a specification or by fixture manufacturers that purchased most of their prismatic panels from K-S-H or other fixture manufacturers that had some close personal relationship with the plaintiff. Thus, the plaintiff never proved even the broad proposition that there was a specification wherein the defendants' prismatic panels were supplied and the specification was intended to call for plaintiff's prismatic panel. Thus, palming off has not been proven *a fortiori* contributory palming off has not been proven.

It should be recognized that the specifier may place an alphanumeric designation such as K-5 in a specification selected from the fixture manufacturers' catalog as part of the fixture manufacturer's designation wherein the alphanumeric designation is defined by the fixture manufacturer to mean only a flat plastic panel. For example, in the Acme catalogue, K-5 is stated to mean a flat plastic panel [Plf. Ex. AE]. This fact along with the testimony of the specifiers who use the alphanumeric designations in specifications that the alphanumeric designations mean only a pattern along with a host of other testimony that the alphanumeric designations only mean a pattern (as set forth in the Sunbeam Brief) clearly supports the Court's holding

that alphanumeric designations used alone in specifications and orders connote only pattern configuration. With this clearly established in the face of plaintiff's lack of proof of palming off, the aiding and a betting theory collapses.

The above is but a few elements (trademark existence, use in specifications, and causation) in the series of elements that the plaintiff has not established which are necessary to make out a *prima facie* case. For example, the only question as to defendants' knowledge of specifications was asked by the Court. The witness in that instance stated that the defendants did not know of substitutions [R. 606-607]. The testimony was as follows:

“The Court: So your testimony is that Carolite never knew of this—so far as you know—never knew of this substitution?”

The Witness: That's correct, Sir, they did not.”

The prime facts upon which plaintiff bases its contributory palming off theory are the facts previously discussed relating to catalogues, ITL, Rochlen, Tedlar, etc., and the additional facts: (1) that Carolite called attention to its panels as equivalent to those of the plaintiff; (2) that a fixture manufacturer told Carolite to put “K-5” on its box; and (3) that on occasion defendants use plain boxes rather than marked boxes. The reason for defendants pointing out the equivalency of its panels is, obvious. It must point out such equality to enable the fixture manufacturer to obtain approval when an approval is required. K-S-H advertising recognizes a need for panel manufacturers to show that their products are “or equal.”

With respect to the second fact the plaintiff asks why would a fixture manufacturer want to mark its cartons K-5 unless it wanted to substitute without approval. The actual instruction to Carolite was "Mark PSM18x4K-5" not as stated by plaintiff in its brief [Plf. Ex. 91]. The reason for this apparently is that the fixture manufacturer employs this as a designation of his fixture or part thereof. Since the boxes from Carolite go into an inventory the marking on the box indicates the parts in the box with respect to the fixture manufacturers catalog system.

And finally, plaintiff states Carolite ships lighting panels in plain cartons. As previously stated, when products are to be sold under private label, they may be shipped in plain cartons and when J. W. Carroll & Sons make special custom parts [7400 side panel—Def. Ex. BK] per manufacturer's specific design, it may ship such products in plain boxes [Plf. Ex. 132A].

The plaintiff concludes its position by stating that the defendants knew or should have known that its products were being sold when a K-4 or K-5 pattern appear in a specification. All of the record referred to by plaintiff to support this position is irrelevant. There was little, if any, evidence introduced to indicate that defendants knew anything about specifications or specification practices at the time of this trial or prior thereto. Moreover, there is nothing to indicate that the defendants knew that approval was not being obtained in various situations or with respect to a particular specification and especially with respect to particular specifications involving alphanumeric designations. The approval process of a particular fixture manufacturer is their internal business procedure which a component

supplier has little if any basis to tamper with or to become involved in.

In summary, the descriptive meaning of the alphanumeric designations, the position of the defendants as a component supplier, the failure of plaintiff to prove palming off, the many orders and specifications, etc., handled daily, the lack of knowledge by defendants of particular specifications involving alphanumeric designations, the lack of knowledge by defendants of fixture manufacturer approvals or substitutions and the testimony of witnesses introduced which had written such specifications involving alphanumeric designations that K-4, etc. were pattern descriptions (along with other facts stated above) dictate that the most the defendants have done to aid or abet is to sell panels which are substantially identical to those of plaintiff. This is an act which it has ever right to do and an act sanctioned by the *Sears* and *Compco* cases, *supra*.

### Conclusion.

The registered trademark CAROLITE, does not infringe the registered trademark K-LITE. Defendant has not committed unfair competition by contributory palming off. The use of the alphanumeric designations by defendants is not part of a predatory plan and has not created any likelihood of confusion.

Respectfully submitted,

SPENSLEY, HORN & JUBAS,

By STUART LUBITZ,

*Attorneys for Appellee.*



### **Certificate.**

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those Rules.

STUART LUBITZ



## APPENDICES.

- A. Chart I—Specification Procedure.
  - B. Chart II—Manufacturing of Fixtures.
  - C. Post Trial Brief—Lincoln Hospital Job Facts.
  - D. Findings of Fact and Conclusions of Law—  
(Trial Court).
-

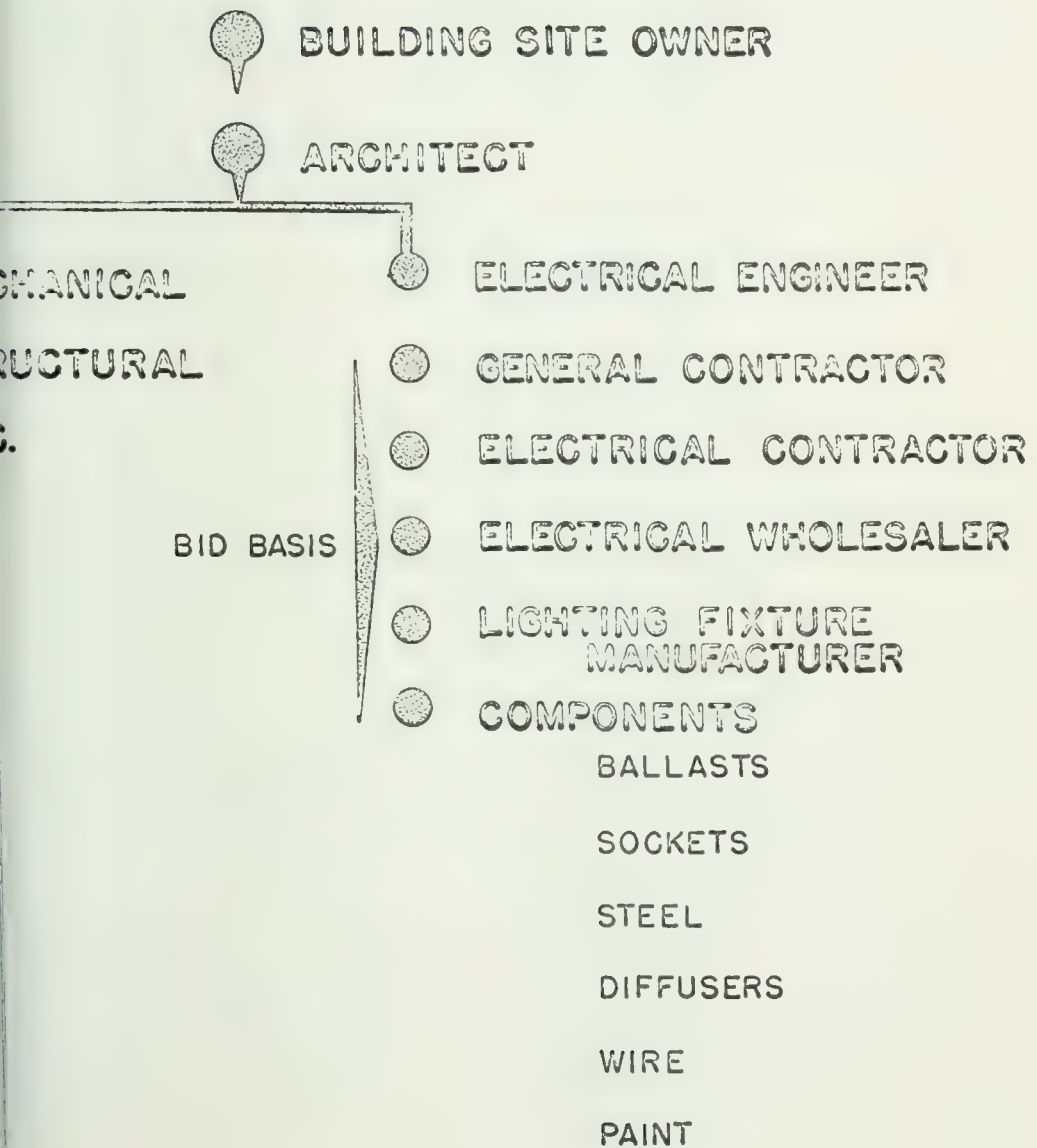


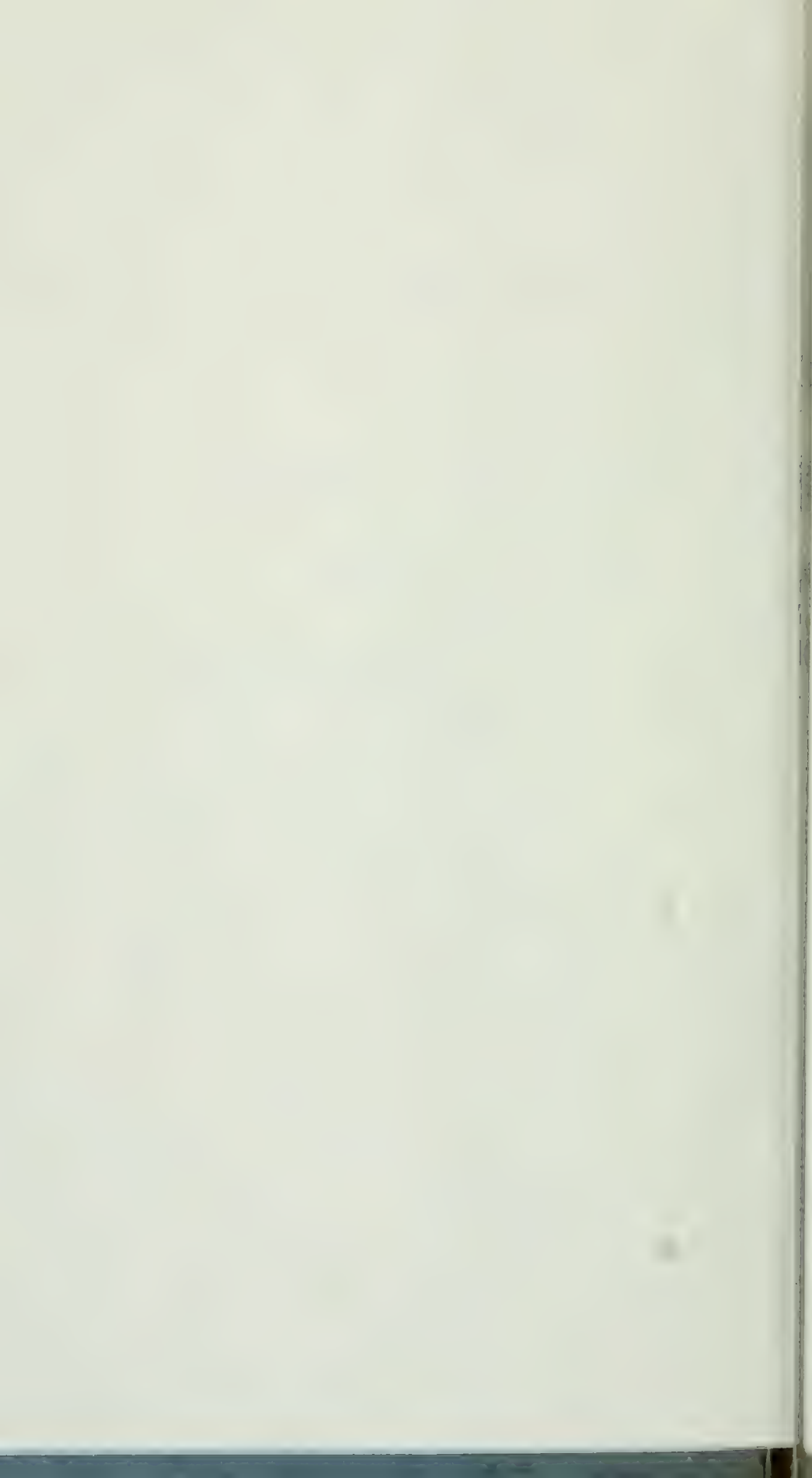


APPENDIX A.

Chart I.

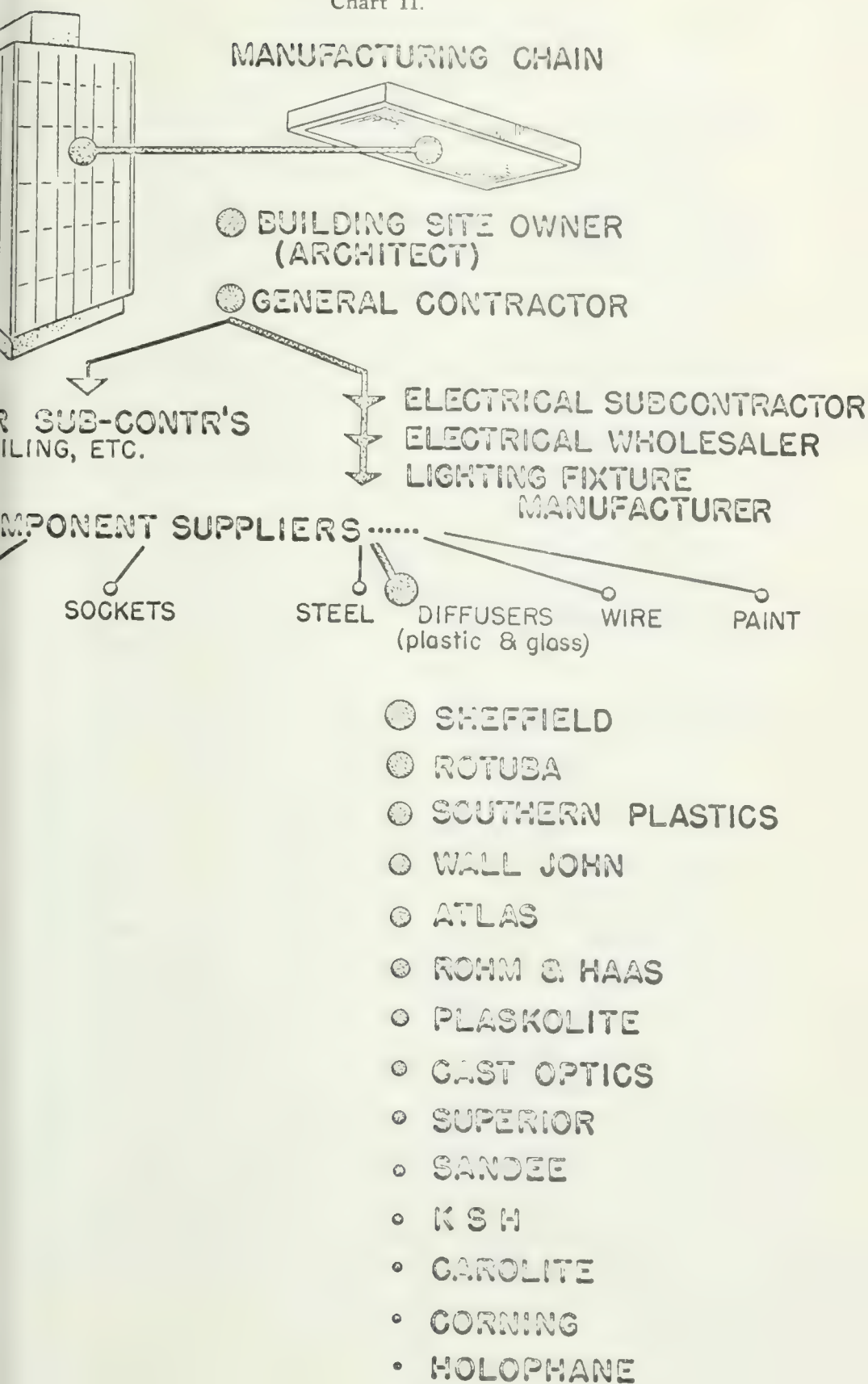
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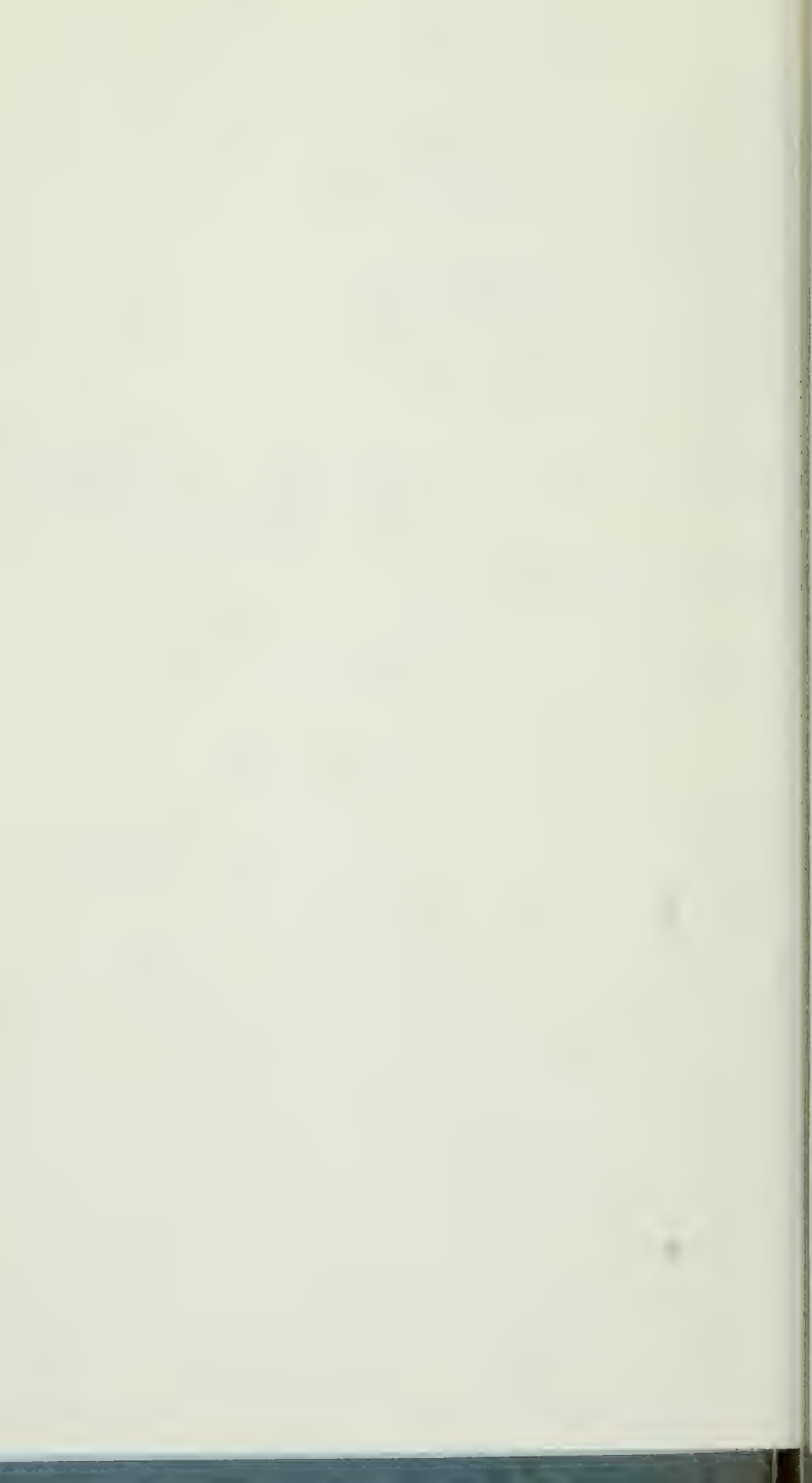




# APPENDIX B.

Chart II.







## APPENDIX C.

### Post Trial Brief.

In the United States District Court, for the Central District of California.

K-S-H Plastics, Inc., a Missouri corporation, Plaintiff, vs. Carolite, Inc., a California corporation, and J. W. Carroll & Sons, a California corporation, Defendants.

K-S-H Plastics, Inc., a Missouri corporation, Plaintiff, vs. Sunbeam Lighting Co., Inc., a California corporation, Defendant. Civil Action No. 65-1238-HW consolidated with Civil Action No. 66-168-HW.

### STATEMENT OF FACTS OF THE LINCOLN HOSPITAL JOB AS THEY SPECIFICALLY RELATE TO THE DEFENDANT, CAROLITE.

On or about November of 1963, Sunbeam Lighting Company received an order from Howard Electric Company (Plaintiff's Exhibit 134), for fixtures incorporating K-S-H K-4 acrylic panels for the John C. Lincoln Hospital job (Plaintiff's Exhibit 134, Transcript, pp. 579-581). When Sunbeam attempted to purchase these panels from Plastic Specialties, the K-S-H representative on the West Coast, Sunbeam found the price to be exorbitant. (Transcript, p. 580). As an alternative, Mr. Hardin, who was purchasing agent for Sunbeam, was directed to contact J. W. Carroll & Sons in order to see if the K-S-H K-4 pattern could be bought by J. W. Carroll & Sons through another source (e.g., another fixture manufacturer that buys from K-S-H) at a price that would be lower than that which was quoted directly from K-S-H. (Transcript, p. 580).

It is extremely important to note that at this time (November, 1963—May, 1964), J. W. Carroll & Sons, and/or Carolite, did not make a competing lens panel which would match, or which was intended to match in every detail, that of the K-S-H K-4 pattern. (Stipulated Facts #13) Even though J. W. Carroll & Sons was not making a competing lens panel it was still able to buy for its customer, Sunbeam Lighting Company, the K-4 pattern manufactured by K-S-H at a lower price than that which was quoted by K-S-H to Sunbeam (Transcript, p. 580). Consequently, Sunbeam sent a purchase order to J. S. Carroll & Sons which was received on May 13, 1964, specifically asking Carolite to provide K-S-H K-4 acrylic panels (Plaintiff's Exhibit 142).

In June, 1964, Carolite filled the above May 13, 1964, order, shipping the K-S-H acrylic panels having the K-4 pattern to Sunbeam. Sunbeam shipped the fixtures with the K-S-H panels to the Lincoln Hospital job (Transcript, pp. 581-4, Plaintiff's Exhibit 142). Those panels which were sent were damaged in transit or in storage at the job site (Transcript, pp. 590-591). In any event, several months after the first order, Carolite received a new request (first replacement order) from Sunbeam for additional lens panels for a Lincoln Hospital job. (Plaintiff's Exhibits 136, 137; Transcript, pp. 590-591). This order to Carolite in no way indicated that it was related to the first order. (Plaintiff's Exhibit 137). The record is void of any evidence that Carolite knew of the nature of the specification for the Lincoln Hospital job, or knew of any approval or lack of approval on the part of Sunbeam, or knew of any particular relation-

ship between the first order and subsequent orders. The only testimony on this point which is quoted herein indicates that Carolite had no knowledge of the Lincoln Hospital job.

During the several months that had elapsed between the original order and the second order, Carolite had developed a competing K-4 pattern (Stipulation of Fact No. 13). This lens pattern was cataloged by Carolite as C-4. Knowing that Carolite had commenced manufacturing a K-4 pattern, Sunbeam in the second order specifically asked Carolite to provide its product. This order from Sunbeam to Carolite requested that Carolite's C-4 pattern match in every detail the K-4 pattern and material and also that it be sent directly to Howard Electric which is where the fixtures were located at the time of the second order. (Plaintiff's Exhibit 137)

Defendant, Carolite, filled its order as Sunbeam had requested by providing Carolite C-4 pattern (Plaintiff's Exhibit 136), by sending these lens panels to Howard Electric, by putting them in boxes unmistakably marked as Carolite boxes (Defendant's Exhibit BN—Kohnen deposition, Vol. II, pp. 4-8 and Defendant's Exhibits BO and BP) and by preparing a packing slip bearing the name Carolite which described the product as C-4 clear acrylic lens panels (Plaintiff's Exhibit 136).

In addition to taking precautions to label its products as its own, the record also shows that Carolite had no knowledge of any possible or alleged substitution for the Lincoln Hospital. The only testimony as to Carolite's knowledge or possible knowledge of such alleged substitution was elicited by the court in its questioning of Sol Matloff, Executive Vice President of Sunbeam. The testimony went as follows:

“THE COURT: Before you start to cross examine, I would like to ask the witness a question or two.

I have before me Exhibit 146, which is dated 11-16. It is an order from the Howard Electric Company to the Sunbeam Lighting Company. It says, ‘Please ship at once the following plastic to match existing plastic. . . .’

That is on November 16. On November 20 we have another statement from Sunbeam. We have got an order from Sunbeam to Carolite relative to C-4 clear acrylic.

It says, ‘Note: Must match K-4 material in every detail. Ship direct to Howard Electric Company.’

Now, you did get this order in which it said to ship plastic to match?

THE WITNESS: Yes Sir.

THE COURT: And you did make the order to Carolite for C-4?

THE WITNESS: Yes, Sir.

THE COURT: Did Carolite at any time, as far as you know, see Exhibit 146, which is the one you got from Howard Electric Company?

THE WITNESS: No, Sir.

THE COURT: You never showed it to them at all?

THE WITNESS: No, Sir.

THE COURT: So after you got 146, you then directed the order to Carolite and substituted C-4?

THE WITNESS: Yes, Sir, due to the fact that I had felt—

THE COURT: I am not asking for an explanation now. I am just trying to get the sequence here.

THE WITNESS: Yes, Sir.



THE COURT: Now, we have Exhibit 136, which is an invoice from Carolite to Sunbeam. It shows that they are billing you for C-4 clear acrylic material.

THE WITNESS: Yes, Sir.

THE COURT: So your testimony is that Carolite never knew of this—as far as you know—never knew of this substitution?

THE WITNESS: That's correct, Sir, they did not.

THE COURT: All right."

There was a third order for material for the Lincoln Hospital job (Defendant's Exhibit BN — Kohnen deposition, Vol. 2, p. 13. ll 25, p. 14, l. 14) but this is apparently not in issue as plaintiff has in answers to interrogatories and at the trial stated that only the 305 replacement panels which were the subject of the second order, plaintiffs Exhibit 146, were relied upon. The only evidence of this third order with respect to defendants was a box from J. W. Carroll and Sons (not Carolite) that contained and was marked 7400 side panels (plaintiff's Exhibits 132 and 132a) which are formed parts (not prismatic sheet) made only for Sunbeam by J. W. Carroll and Sons and not a part of this suit. (Stipulated Facts - No. 13). The box containing this product was not marked with the Carolite name because it was not manufactured by Carolite.

Thus, as to the second order, Carolite filled the order of a customer, Sunbeam, invoiced the customer for the sale of Carolite C-4 lens panels, shipped the panel in marked boxes to Howard Electric and was subsequently paid. It did nothing more than sell a product as coming from Carolite which products were marked and designated with the non-infringing Carolite name and pattern designation.

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## APPENDIX D.

### Defendants', Carolite, Inc. and J. W. Carroll & Sons, Modified Findings of Fact and Conclusions of Law.

Lodged Apr. 24, 1967.

Filed May 4, 1967.

United States District Court, Central District of  
California.

K-S-H Plastics, Inc., a Missouri corporation,  
Plaintiff, vs. Carolite, Inc., a California Corporation,  
and J. W. Carroll & Sons, a California Corporation, De-  
fendants. Civil Action No. 65-1238-HW.

The above-entitled cause having come on regularly  
for trial and the Court having duly considered the  
evidence and the post trial briefs filed by the parties,  
and being fully advised in the premises, on the whole  
record now makes the following:

#### Findings of Fact

1. Plaintiff, K-S-H Plastics, Inc., is a corporation  
incorporated under the laws of the State of Missouri,  
having its principal place of business at Kirkwood,  
Missouri.

2. Defendant, Carolite, Inc., is a corporation incor-  
porated under the laws of the State of California, hav-  
ings its principal place of business at Wilimington,  
California.

3. Defendant, J. W. Carroll & Sons, is a corporation  
incorporated under the laws of the State of California,  
having its principal place of business at Wilmington,  
California.

4. Plaintiff began to manufacture plastic prismatic lighting panels in 1958 and has continued to make and sell such panels throughout the United States for the last eight years.

5. Defendant, J. W. Carroll & Sons, has manufactured and sold plastic prismatic lighting panels from April, 1963, until defendant, Carolite, Inc., assumed the manufacture and sale of plastic prismatic lighting panels in approximately August, 1964.

6. The plastic prismatic lighting panels made and sold by the parties are sold to the same class of customers and through the same channels of distribution.

7. The term "plastic prismatic lighting panels" is used to identify lighting panels which are flat sheet panels adapted for use with fluorescent lighting fixtures and having a precise geometric pattern embossed thereon for engineered refraction or control of rays generated from fluorescent bulbs. Such panels are distinguished in the trade from plastic "shapes" which are of various three-dimensional configurations. Flat sheet prismatic lighting panels are often referred to as "lenses."

8. Lighting panels are distributed to the trade in the following manner:

Specifiers (architects or lighting engineers) as agents for the building owners, prepare a specification identifying the electrical equipment, including lighting fixtures, and the lighting panels to be used therewith, in a specification which is distributed ultimately to lighting fixture manufacturers. Bids are prepared by the lighting fixture manufacturers and submitted to the specifiers for approval. Items which are in-

tended to be provided which are not in accordance with the specification may be submitted by the lighting fixture manufacturer for approval of such substitute by the specifier. Based on these bids, the specifier or owner awards the contract to a general contractor or an electrical equipment distributor. In the event that the lighting panel is specified to be that of a particular lighting panel manufacturer, the panel is ordered from the lighting panel manufacturer, such as plaintiff or defendants, or approval is obtained by the fixture manufacturer for the substitution of a panel from another panel manufacturer. Lighting panels are supplied to fixture manufacturers by defendants and plaintiff in cartons with their respective names thereon. The plaintiff, in addition, imprints its name in the corner of the panel with transparent letters about  $\frac{1}{4}$  inch in height. Some fixture manufacturers, in fitting the panel to the fixture, trim it therefrom. The panels are placed in the fixtures by the fixture manufacturers and shipped to the job site. The plaintiff's transparent printing that remains on the panel is obscured by the fixture.

9. On or about June 30, 1958, plaintiff adopted and began to use the trademark K-LITE on, and in connection with, the sale of a line of its specification quality plastic prismatic lighting panels. The plaintiff has no patent or exclusive right with respect to its pattern designs or panels.

10. Plaintiff registered the term K-LITE under the Federal Trademark Act of 1946, 15 U.S.C. Sec. 1051, et. seq., on the principal register, as Registration No. 687,973, issued November 10, 1959, which registration is presently in full force and effect, and



plaintiff has now acquired incontestable rights in such trademark under the provisions of 15 U.S.C. Sec. 1065.

11. Defendant, J. W. Carroll & Sons, adopted and began to use in April, 1963, the term CAROLITE in connection with the sale of plastic prismatic lighting panels. Defendant, Caroite, Inc., has used since August, 1964, to the present time, the term CAROLITE in connection with the sale of its line of plastic prismatic lighting panels. The term CAROLITE is usually employed in the following logotype form:

### CAROLITE

12. Defendant, J. W. Carroll & Sons, registered the term CAROLITE under the Federal Trademark Act of 1946, 15 U.S.C. Sec. 1051, et. seq., on the principal register, as Registration No. 793,855, issued August 10, 1965, which registration is presently in full force and effect.

13. Plaintiff presently manufactures and sells a number of different patterns of plastic prismatic lighting panels. Plaintiff identifies its different plastic prismatic lighting panel patterns with "K-numbers," each pattern bearing a different number preceded by the capital letter "K." The patterns presently manufactured and sold by plaintiff are identified as K-4, K-5, K-11 and K-12, etc. The plastic prismatic lighting panels which are the subject of this action are K-4, K-5, K-11 and K-12. These patterns were first sold as follows:

K-4	About May, 1958
K-5	About March, 1959
K-11	January, 1963
K-12	October, 1963

14. Defendant, J. W. Carroll & Sons, did, and defendant, Carolite, Inc., does manufacture and sell a number of different patterns of plastic prismatic lighting panels. Defendants identify their plastic prismatic lighting panel patterns in their CAROLITE line with "C-numbers." Defendants' CAROLITE line of plastic prismatic lighting panels comprises C-4, C-55, C-11 and C-12 panels. Each of such panels have a pattern which is identical to plaintiff's panels having the similar designation. These panels were first sold in connection with the "C-numbers" and the term CAROLITE as follows:

C-55	April, 1963
C-11	January, 1964
C-12	June, 1964
C-4	December, 1964

The defendant, Carolite, Inc., also manufacturrs Sunlux, Metalux, and C-1 patterns. The defendant, J. W. Carroll & Sons, presently manufactures and sells only custom plastic parts and other items which are not in issue in this suit.

15. The pattern designations C-4, C-55, C-11 and C-12 are not confusingly similar to the pattern designations K-4, K-5, K-11 and K-12; the plaintiff has not shown that there is actual confusion or a likelihood of confusion, mistake or deceit by reason of the use of the designations in connection with similar products. The term CAROLITE is not confusingly similar to the mark K-LITE; the plaintiff has shown no actual confusion or a likelihood of confusion, mistake, or deceit by reason of the use of the terms in connection with similar goods. The designations, "C-numbers" and

CAROLITE, of defendants are not visually nor phonetically similar to those of plaintiff and to the extent of any similarity are descriptive. The use of tools from the same engraver as plaintiff, "C-numbers," patterns substantially identical to plaintiff, and the same testing laboratory as plaintiff, does not create any confusion or likelihood of confusion or does it show any intent to palm off. The defendants, Carolite, Inc., and J. W. Carroll & Sons, display their name on their cards, stationery, order forms, invoices, packing slips and cartons in which all products are shipped. The catalogs and test reports of defendants are clearly marked with their names. The usual way of ordering panels is to telephone the order into Carolite and then confirm by written order. The customers of plaintiff and defendants are sophisticated buyers.

16. Specifications prepared by lighting engineers and architects which describe or designate lighting panels with a "K-number" in conjunction with the terms K-S-H or K-LITE are a demand upon the supplier to provide a lighting panel manufactured only by plaintiff, and if a lighting panel manufactured by other than plaintiff is supplied, prior approval must be obtained from the architect or lighting engineer who prepared the specification by the fixture manufacturer.

17. The use of alpha numeric designations (K-4, K-5, K-11, etc.) in specifications and orders without more does not require that a panel from a particular manufacturer be supplied. Many other manufacturers also use alpha numeric pattern designations. The alpha numeric designations used alone and not in conjunction with the terms K-S-H or K-LITE in a specification or used alone but as part of a fixture descrip-

tion in the specification or used alone in an order describes only the desired pattern of a diffuser or panel.

18. At the conclusion of plaintiff's case the defendants made a motion to dismiss which was granted with regard to all matters except the Lincoln Hospital Job. The defendants, Carolite, Inc. and J. W. Carroll & Sons, precluded from introducing evidence other than on the Lincoln Hospital Job.

19. Beginning in 1963, the John C. Lincoln Hospital was designed and constructed in Sunnyslope, Arizona, and the specification for this job was prepared by James H. Evans, a lighting engineer employed by the architectural firm of Varney & Associates.

20. The specification for the Lincoln Hospital Job designated the lighting panels to be supplied with the term "K-S-H K-4 Flat Acrylic Lens." Sunbeam Lighting Co., Inc., was the fixture manufacturer chosen to supply the lighting fixtures and lighting panels for this job. K-4 lighting panels manufactured by plaintiff were purchased by Sunbeam Lighting Co. Inc., indirectly through defendant, Carolite, Inc., who purchased the K-S-H panels from a third party having such K-S-H panels (defendants did not manufacture a panel with the K-4 pattern at that time) and were supplied to the electrical contractor to be installed in the Lincoln Hospital. Defendants, J. W. Carroll & Sons and Carolite, Inc., had no knowledge of the specification in the Lincoln Hospital Job. Defendant, J. W. Carroll & Sons, supplied custom parts for the Lincoln Hospital Job which parts are not in issue in this suit.

21. Subsequently, lighting panels supplied on the Lincoln Hospital Job were damaged prior to installation and replacement panels were ordered from Sunbeam



Lighting Co., Inc. No approval for a substitute of lighting panels manufactured by other than plaintiff was solicited or obtained. Sunbeam Lighting Co. Inc., ordered C-4 panels from defendant, Carolite, Inc., and directed defendant, Carolite, Inc., to ship such replacement panels directly to the job site. The first order (original) and second order (first replacement) to Carolite, Inc. indicated that the purchases by Sunbeam were for the Lincoln Hospital Job. Defendant, Carolite, Inc., shipped the replacement panels in boxes with the name Carolite imprinted thereon to the Lincoln Hospital Job site.

22. The lighting engineer and electrical contractor on the Lincoln Hospital Job were unaware of the substitution of Carolite C-4 panels for the K-S-H K-4, panels until after the commencement of this suit, at which time it was called to their attention by plaintiff.

The following Conclusions of Law, insofar as they may be considered Findings of Fact, are so found by this Court to be true in all respects. From the foregoing facts the Court concludes:

### Conclusions of Law

#### I

This Court has jurisdiction over the parties and subject matter of this action.

#### II

K-4, K-5, K-11 etc., standing alone, do not, without more, call for K-LITE or K-S-H plastic panels.

#### III

The use of terms such as C-4, C-55, C-11, C-12 does not infringe plaintiff's designations K-4, K-5, K-11 or K-12.

IV

The use of the term CAROLITE does not infringe the terms K-LITE or K-S-H.

V

When an order to Carolite, Inc., or J. W. Carroll & Sons calls for K-LITE, or for K-S-H K-4, K-S-H K-5, K-S-H K-11 or K-S-H K-12, etc., defendants, Carolite, Inc. or J. W. Carroll & Sons, cannot substitute other materials without approval. Such substitution would be unfair competition.

VI

Defendant, Carolite, Inc. or J. W. Carroll & Sons, is guilty of unfair competition when Carolite, Inc. or J. W. Carroll & Sons, substitutes a C-4 panel for a K-S-H K-4 panel which was so requested from Carolite, Inc. or J. W. Carroll & Sons.

VII

Defendants, Carolite, Inc. and J. W. Carroll & Sons, have not committed unfair competition by making panels having patterns substantially similar to plaintiff, employing the designations C-4, C-55, C-11 and C-12, putting out a catalog, and employing Roehlen Engraving Works and Independent Testing Laboratories.

VIII

Plaintiff is entitled to nominal damages of FIFTY DOLLARS (\$50) from Carolite, Inc. and such costs as the court may tax in connection with this action.

ENTER: Harry C. Westover  
United States District Judge

Dated: May 4, 1967.

No. 22049A

IN THE

# United States Court of Appeals

FOR THE NINTH CIRCUIT

---

K-S-H PLASTICS, INC., a Missouri corporation,

*Appellant,*

*vs.*

SUNBEAM LIGHTING COMPANY, INC., a California corporation,

*Appellee.*

---

## APPELLEE'S BRIEF.

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FILED

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WM. B. LUCK, CLERK

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No. 22049A  
IN THE  
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K-S-H PLASTICS, INC., a Missouri corporation,  
*Appellant,*  
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SUNBEAM LIGHTING COMPANY, INC., a California corporation,  
*Appellee.*

---

**APPELLEE'S BRIEF.**

---

**COUNTERSTATEMENT OF THE CASE.**

**Introduction.**

Plaintiff has specified as error the lower Court's Findings of Fact Numbers 9, 10, 11 and 12 and has set out in plaintiff's Statement of the Case portions and excerpts from the record in connection with such findings. Defendant-Appellee (hereinafter referred to as "Sunbeam") therefore has set out at Section B herein more completely and with greater specificity the record of testimony and evidence which supports such Findings of Fact in accordance with Rule 18-3 of this Court. For clarity and continuity Sunbeam's summary of the facts has been included in Sunbeam's Counterstatement of the Case although many of such facts as stated by plaintiff are not controverted. The Findings of Fact and Judgment Order of the District Court are attached as Exhibits 1 and 2 in the appendix herein.

## A. Summary of the Facts.

### 1. The Business and Products of the Respective Parties.

Plaintiff is, and has been since 1958, a leading manufacturer of plastic prismatic lighting panels of various lens pattern configurations. Plaintiff sells such lighting panels directly to lighting fixture manufacturers, such as Sunbeam, which in turn incorporate such panels into lighting fixtures for installation in a building pursuant to a specification-bid-order system that is standard throughout the industry.

Sunbeam is a manufacturer of lighting fixtures. Depending upon the nature of an order received, Sunbeam manufactures and sells fixtures incorporating as a component thereof lighting panels purchased from sources such as plaintiff or other panel manufacturers such as Carolite or Sheffield or lighting panels manufactured directly for Sunbeam and sold as Sunbeam's own panels. The type of lighting fixture and the nature and origin of the incorporated prismatic panel sold by Sunbeam is dependent upon the specificity of the order submitted by the ultimate consumer. For example, if the order specifies that a panel with a certain pattern or lens configuration is to be acquired from a particular source and incorporated in the fixture, it is Sunbeam's practice to purchase panels from such source for incorporation into the fixture. If however, the consumer specifies only a particular panel pattern or lens configuration, it is Sunbeam's practice to purchase and incorporate a complying panel from any of a number of sources [R. 1076-1079, 1085, 1086].\*

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\*The Record comprises ten volumes, volumes three through ten containing the testimony at the trial. References to volume one are identified as "Vol. I, R....." Volume II is the record in



## 2. The Order and Specification System as Commonly Practiced Within the Lighting Fixture Industry.

Lighting fixtures and lighting panels are distributed by a specification and bid system in which specifications are prepared by architects or electrical engineers as agents of a building owner [Finding of Fact 5, Vol. I, R. 17]. It is the usual practice that the specification designates the lighting fixture, and the lighting panel to be supplied therewith, by the use of the fixture manufacturer's name together with its alphanumeric catalog designation or symbol, such as XL-12-2-40-RS-AG-PF wherein the letters "AG" are representative of the lens pattern of the panel normally supplied with the fixture [Def. Ex. AE, BG-BI]. In relatively few instances, the specifications on which the fixture manufacturers bid describe the lighting panels separately from the fixture catalog designation, by such alphanumeric designations as "K-4", or insert such a designation into the catalog number at the appropriate place in order to particularly specify a desired lens or pattern configuration [Def. Ex. AL-AO]. In still fewer instances, the specifications will further include the requirement that the lighting panel be of a particular pattern or lens configuration and from a particular manufacturer by including directions such as "K-11 lens by K-S-H." [R. 815, lines 21-25].

Following receipt of the specification, the fixture manufacturer furnishes a bid based upon the specification. If awarded the bid, the fixture manufacturer supplies the specified fixture incorporating a panel complying with the specification. If the specification has

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the Carolite Case. The remaining volumes with consecutive pagination are identified only by page reference numeral, thus "R. ...."

designated a panel or other component from a particular source, no substitution may be made without prior approval or authorization from the specifier. However, if the specification has designated only a particular lens pattern for the panel, the fixture manufacturer is free to acquire such panel from whatever source he desires [R. 819-820, 876-877].

### 3. Plaintiff's Product Designation System.

Prior to 1957, plaintiff adopted and began to use the registered trademark K-S-H on and in connection with the sale of plastic prismatic lighting panels [Finding of Fact 7, Vol. I, R. 18]. In 1958, plaintiff adopted and began to use the registered trademark K-LITE on and in connection with a sale of the line of its specification quality plastic prismatic lighting panels [Finding of Fact 6, Vol. I, R. 18]. There is no issue joined herein either as to the validity of nor plaintiff's exclusive right to the use of the trademarks K-S-H or K-LITE.

It has been stipulated that plaintiff presently manufactures and sells a number of different plastic prismatic lighting panels of various patterns under the above trademarks. Plaintiff designates its different plastic prismatic lighting panel patterns with "K-numbers," each pattern bearing a different number preceded by the capital letter K. The plastic prismatic lighting panels which are the subject of this action are K-4, K-5, K-11 and K-12, such patterns being first sold by such designations in 1958, 1959, 1963 and 1963 respectively [Finding of Fact 8, Vol. I, R. 18].

#### 4. Operative Facts Underlying Plaintiff's Claim of Unfair Competition.

There are two distinct fact patterns upon which plaintiff has based its claim of unfair competition. In the first and foremost situation, Sunbeam has admittedly furnished lighting panels manufactured by others than plaintiff on specifications calling for "K-numbered" panels alone without any mention of K-S-H or K-LITE [R. 658-660]. This fact situation presents the basic question involved in this case, that is, whether the primary significance of these "K-numbers" is to indicate a particular lens pattern or configuration as opposed to the origin or source of such panel [Finding of Fact 5, Vol. I, R. 17].

The second fact situation upon which plaintiff has based its claim of unfair competition concerns a single, isolated specification calling for a lighting panel by the designation "K-S-H, K-4," as opposed to a "K-number" alone. In this instance, Sunbeam originally supplied the consumer with the required fixtures incorporating the specifically designated "K-S-H, K-4" lighting panel. However, through the fault of third parties at the job site, some 305 of the original K-4 panels as manufactured by K-S-H were damaged. As will be set forth in greater detail hereinafter, a second order was received by Sunbeam, from six to seven months after the original purchase order, requesting replacement panels. This document did not contain any K-S-H or K-LITE designations. The change order specified only K-4 panels. Sunbeam supplied, without prior authorization or approval, 305 replacement lighting panels manufactured by defendant, Carolite, Inc., which were identical in appearance, structure and lens

configuration to the “K-S-II, K-4” lighting panels requested by the original order and specification (*infra*, p. 24). The substitution was not made for the purpose or with the intent of “palming off” Carolite’s goods for those of plaintiff’s, but resulted from Sunbeam’s inadvertent failure to refer back to the original specification in filling the replacement order [Finding of Fact 14, Vol. I, R. 20].

**B. Evidence and Testimony Adduced at Trial in Support of the Court’s Findings of Fact as to the Significance, Effect and Status of Plaintiff’s Designations K-4, K-5, K-11 and K-12.**

The following evidence and testimony adduced at the trial supports the Court’s Findings of Fact Numbers 9, 10, 11 and 12 specified by plaintiff to be erroneous. The relevant portions of the Findings of Fact are set out hereinafter with reference to the evidence and testimony in support thereof.

Evidence and testimony was adduced from three primary categories other than the parties, namely: (1) representatives of other panel manufacturers; (2) representatives of other lighting fixture manufacturers; and, (3) lighting or electrical engineers or specifiers.

**1. Testimony of Representatives of Plaintiff.**

*It does not appear that plaintiff itself has generally regarded the “K-numbers” as an indication of source or used them as such, but has relied on its name and registered trademarks to identify the maker of its goods.* [Finding of Fact 9, Vol. I, R. 19].

Plaintiff has never advertised its products under “K-numbers” alone [R. 198, lines 5-14]. *All of plain-*



tiff's advertising and promotional material, including catalogs, features "K-numbers" serving as an adjunct to identify particular patterns [Finding of Fact 9, Vol. I, R. 19].

Mr. Stahlhut, Vice President of Plaintiff, testified that plaintiff has devoted considerable effort to educating specification writers in the manner of designating plaintiff's products and specifications. Such efforts, however, have been directed solely to advising the specification writers to employ the trademark K-LITE when specifying prismatic panels [R. 199, 218-220]. Mr. Henry Smith, President of Plastics Specialties Corp., West Coast sales agent or representative for plaintiff, testified that neither he nor his company has distributed any written material, advertising or promotional material to architects, engineers or specifiers advising them to specify products from K-S-H Plastics, Inc. by reference to "K-numbers" alone [R. 382, lines 17-22].

While K-4, K-5, K-11 and K-12 have been used by plaintiff since 1958, 1959, 1963 and 1963 respectively, plaintiff has not shown that it has ever used a "K-number" alone, in any manner to indicate K-S-H Plastics, Inc. The trademark K-LITE and not the "K-number" appears on individual panels manufactured and sold by plaintiff [R. 209-213]. While carton markings including "K-numbers" have been used, the "K-numbers" have been added to such cartons for the purpose of designating panel patterns and the mark K-LITE has been placed thereon as the trademark [Rozsypal Depn. Def. Ex. BC, p. 24, lines 4-23]. Where they have been used, without exception the cartons have been prominently marked with either "K-S-

H" or "K-LITE" and the "K-number", either written or stamped, usually into a blank line following the word "pattern" printed on the carton [Plf. Ex. 182; R. 1145].

## 2. Testimony of Representatives of Other Panel Manufacturers.

Numbers and letters of the alphabet were used prior to plaintiff's adoption of its "K-numbers," and continue to be used, by manufacturers of prismatic lighting panels to designate their various panel lens configurations [R. 24-27]. *Mr. Frank Teague*, Vice President in charge of sales for Sheffield Plastics, Co., a manufacturer and seller of plastic prismatic lenses, called as a witness by plaintiff, stated on cross-examination by Sunbeam's counsel that he recognized the following alphanumeric designations for panel lens patterns: SL-87, R-5, S-55, R-7, SL-35, B-70, P-4, C-4, S-40, I-1, PL-21 and P-8. Particularly, Mr. Teague indicated that both Rohm & Haas Co. and Parahex Co. used "P-numbers" such as P-4, P-8, to designate various lens pattern configurations [R. 261-265]. Mr. Teague stated that his company, Sheffield Plastics, Inc., also manufactured plastic prismatic lenses which it identifies by "SL-numbers," such as SL-87. But, such designation SL-87 is only used in connection with the name "Sheffield" so that third parties will know that the goods come from Sheffield Plastics [R. 247, lines 4-21].

The testimony of *L. Wellen* of Carolite, a panel manufacturer, indicates that they do not regard their similar pattern designations, such as "C-numbers," as trademarks or as marks indicative of source [R. 479, 483, 484].

### 3. Testimony of Representatives of Lighting Fixture Manufacturers.

*While plaintiff is the only lighting panel manufacturer using the specific "K-numbers" K-4, K-5, K-11, and K-12, "K-numbers" are regularly and substantially used by lighting fixture manufacturing companies in the promotion and sale of prismatic lighting panels. They are generally used in specifying, ordering, and supplying panels to indicate the lens pattern only [Findings of Fact 9, 10, Vol. I, R. 19].*

Testimony of the representatives of eight independent lighting fixture manufacturers was elicited concerning the significance, function and effect of the designations K-4, K-5, K-11 and K-12.

*Mr. Eugene Wade, General Manager and Vice President of Acme Lighting and Manufacturing Co., described a typical use of "K-numbers" by the fixture manufacturers.*

Mr. Wade identified Defendant's Exhibit AE as an Acme Lighting and Manufacturing Co. trade catalog and specifically referred to page 13 thereof which shows an explanation of the Acme Fluorescent Lighting Fixture. This catalog number, which reads "XL-12-2-40-RS-AG-FP", is included in submittals which Acme makes to architects and engineers when bidding on specification type jobs [R. 1024, lines 8-15, 1026, lines 10-16]. The catalog specifically describes and explains what each of the numerals and letters of the catalog number mean. With reference to the letters "AG" which appear in the catalog number, Mr. Wade testified that the portion of the catalog number where the letters "AG" appear identifies the diffuser or plastic prismatic lens. For example, the catalog states

that the designations K-11, K-12 or K-5 would be inserted into the catalog number in place of the designation "AG" to describe the plastic prismatic lens configuration which Acme would supply in their fluorescent fixture. In instances where Acme would insert the pattern configuration K-5, K-11 or K-12 in its catalog number, Acme would actually purchase their prismatic panels without any obligation to supply any prismatic panel from any particular manufacturer [R. 1028, line 22 to p. 1029, line 5]. Acme uses "K-numbers" on pages 8 and 9 of its catalog as a matter of identification for its customers to show the prismatic patterns which it has available. Acme does not use these "K-numbers" to identify a manufacturer of a plastic prismatic panel. [R. 1029, line 23, to 1030, line 6]. On page 4 of the Acme catalog [Def. Ex. AE], the designations K-496, K-240, K-440, K-248, K-272, K-296, K-448 and K-472 appear as Acme designations for various fluorescent fixtures of its own manufacture which incorporate various diffuser panels [R. 1030, line 15, to 1031, line 14].

*Mr. George Marx*, Vice President of Nu-Lite Manufacturing Co. testified as to the function of the designations K-4, K-5, K-11 and K-12.

Nu-Lite has received fluorescent lighting fixture specifications from architects and engineers, which referred to "K-numbers" alone, such as K-4, K-5, K-11 or K-12 [R. 982, line 2-12]. Mr. Marx has been responsible for submitting bids on behalf of Nu-Lite on such specifications and, in fact, Nu-Lite has received the contract on such specifications where "K-numbers" alone were referred to. In submitting the Nu-Lite bid in response to such a specification, Nu-Lite



includes the requested "K-number" as part of its electrical fixture catalog number [R. 982, line 18 to 983, line 10]. Mr. Marx prepared a chart for the trial court setting forth a typical Nu-Lite catalog number which would be submitted on a job where a "K-number" alone had been specified. Taking the Nu-Lite catalog number "LBM24RD448RSK5A," Mr. Marx stated that its component parts indicate the particular troffer or fixture series (LBM); the width of the troffer (24); the fixture mounting, *i.e.*, recessed (RD); the number of lamps (4); the length of the fixture (48); the lamp starting configuration (RS); and the "type of pattern we will use in that lighting fixture" together with an indication of panel material (K5A) [R. 984-986]. Mr. Marx continued his explanation:

"Q. If you were awarded the contract on this job where the catalog number is referred to, Mr. Marx, from whom would your company acquire the prismatic lens which you have described by the reference to K-5? A. Carolite or K-S-H or, in a few cases, we supplied Sheffield, but it was unsatisfactory. . . .

Q. If you supplied a lens from either Sheffield or Carolite, would you obtain architect or electrical engineer approval? A. No.

. . .

Q. And what do 'K-numbers' alone mean to you K-4, K-5, K-11 and K-12? A. Pattern description.

Q. Do those numbers indicate to you a single manufacturer? A. No, they don't, not to me." [R. 986, line 6, to 987, line 16].

The deposition of *Mr. Samuel L. Wigodner*, Purchasing Agent for *L. J. Siegil Co.* and *Luminous Ceilings*, was introduced into evidence on behalf of *Sunbeam* [Def. Ex. BF].

On direct examination by plaintiff's counsel, *Mr. Ooms*, *Wigodner* identified Defendant's Exhibit AB as a catalog sheet of *Luminous Ceilings* showing a lighting fixture having a plastic prismatic lens. Shown in connection with the lighting fixture are various illustrations of the different types of plastic prismatic lenses which may be used with the fixture. Adjacent to each illustration appears the alphanumeric designations K-4, K-5, K-6, K-8 and K-QT23. *Mr. Wigodner* testified, that all of these various "K-numbers" are used to describe prismatic lens patterns or configurations and do not indicate any manufacturer, as follows with reference to Defendant's Exhibit AB:

Q. I have marked as 223B (Trial Exhibit AB) another catalog insert sheet of *Luminous Ceilings*, is that correct? A. Right.

Q. And that is for a troffer, showing various types of what you state, plasto lens, is that correct? A. Right.

Q. Now, down below are pictured what appears to be various configurations of plastic prismatic lenses, is that correct? A. Right.

Q. What does K-4 stand for? A. A pyramidal prism.

Q. Any particular manufacturer? A. No. One of many.

Q. And it designates no particular manufacturer? A. A four-sided pyramid, actually.

Q. And beside another configuration is a designation 'K-5'. What does that designate? A. That is a hexagonal pyramid, prism.

Q. Does it designate anything else other than that? A. No.

Q. No particular manufacturer? A. No.

Q. And beside another configuration is 'K-6'. What does that designate? A. That's sort of a diagonal prism. The ray is diagonal. It is sort of a diamond-shaped, I would say, prism.

Q. And does it indicate anything else other than that? A. No. It is confined to one manufacturer.

Q. Who is that? A. Sandee Manufacturing.

Q. The K-6 is? A. Yes.

Q. All right. And I see another configuration that has got 'K-8', is that correct? A. Right.

Q. And what does that indicate? A. Well, I don't know. That is sort of a hodgepodge, sort of a—it is two prisms superimposed on each other, actually, chicken wire overlay prism. It is a discontinued item now, I believe. K-S-H.

Q. Who made that? A. K-S-H. [Dep'n. Def. Ex. BF, pp. 7-10].

Mr. Wigodner further testified that his company does not need architect approval for supplying a prismatic panel specified as K-4, K-5, K-11 or K-12 from a party other than K-S-H, since these "K-numbers" designate pattern configurations, which configurations are available from a number of different manufacturers [Def. Ex. BF, pp. 36-37]. Specifically, Mr. Wigodner testified that the K-4 configuration is manufactured by Rohm & Haas, Polycast, Carolite, K-S-H Plastics, San-

dee Mfg. Co., Plascolight, Praksie, Rotuba, and Waljohn. He testified that the K-5 configuration is manufactured by the same group of companies and that the K-6 configuration is manufactured by Sandee Mfg. Co. only. He testified that the K-8 configuration was made by K-S-H and the K-Q23 configuration was made by Sheffield plastics only. He also testified that his company has purchased these "K-numbered" configurations from the Sandee Mfg. Co., Carolite, K-S-H Plastics, Polycast, Sheffield and Atlas [Def. Ex. BF, pp. 50-52].

By deposition [Def. Ex. DB], *Mr. Leo F. Givens*, Treasurer and Purchasing Agent of Wellmade Metal Products Co., stated his company's practice with respect to the use of "K-numbers."

Wellmade Metal Products Company publishes a brochure or trade catalog advertising the plastic prismatic lenses used in its fluorescent lighting fixtures [Plf. Ex. 192]. On page 3 of that catalog, one of the prismatic lenses is identified by the designation K-12. On direct examination by plaintiff's counsel, Mr. Ooms, Mr. Givens testified that this designation described a 'K-12 pattern'.

Mr. Givens testified as follows:

"Q. Now, can you tell us what the K-12 signifies insofar as that brochure is concerned? A. Well, so far as this brochure is concerned, it designates a pattern, a certain pattern.

Q. That's identified with the designation there? A. That's correct.

Q. And your company does put out this type of brochure? A. Yes." [Def. Ex. DB, p. 5, lines 6-26].



Regarding the significance of “K-numbers” in the industry, the testimony of *Mr. Maurice Seigel*, President of Haluk Lighting Co., is most lucid:

“Q. Now, in another vein, could you tell me what the designations K-4, K-5, K-11 and K-12 mean to you? A. *Primarily pattern*, because of the fact that there are so many sources of plastic in the industry that the relationship to a specific company has been washed out; an acknowledgment of a pattern, rather than the source of the product. This is a usage that has pervaded the trade particularly in the commercial level, where the great segment of commerce takes place, rather than at the specification level. If we get an order for a particular plastic pattern, the source of the manufacturer is never questioned, it is primarily the designation of the configuration rather than any specific manufacturer.” [Dep’n. Def. Ex. BA, p. 4, line 20, to p. 5, line 6]. (Emphasis supplied).

*Mr. Leonard Rosenblatt*, President of Globe Illumination Co., stated his company’s understanding and use of “K-numbers” in fluorescent lighting fixture specifications, including K-4, K-5, K-11 and K-12, as designating only a prismatic panel design and not a manufacturer of a prismatic panel [R. 956, lines 16-24]. Mr. Rosenblatt has reviewed fluorescent lighting fixture specifications received by Globe Illumination Co. which specify “K-numbers” alone. When such a specification is received, Mr. Rosenblatt and his company treat it as an “open specification”, meaning that his company may supply a prismatic panel from any manufacturer without prior approval so long as the pattern configuration described by the reference to “K-

numbers" is met [R. 954-956, 959]. Mr. Rosenblatt has given specific authorization and instructions to his material purchasing department to purchase prismatic panels from either Carolite or KSH when the company is meeting a specification wherein a "K-number" alone, such as K-4, K-5, K-11 or K-12, is specified. Mr. Rosenblatt indicated that his company uses "K-numbers" solely as descriptions of various prismatic panel configurations irrespective of the source or manufacturer of such panel [R. 963-965].

*Mr. Robert Forgnone*, in charge of material and material control at Globe Illumination Co., expanded on the specification and order operations explained by Mr. Rosenblatt. Mr. Forgnone regards "K-numbers," including K-4, K-5, K-11 and K-12, as descriptive of a prismatic panel configuration [R. 904, line 1, to 905, line 7]. In fact, Globe Illumination Co. has ordered prismatic panels from J. W. Carroll & Sons by describing the prismatic lens pattern or configuration through the use of "K-numbers," such as K-12. When Globe Illumination Co. places an order with J. W. Carroll & Sons requesting certain prismatic panels by reference to "K-numbers," it is intending to get a prismatic panel manufactured by J. W. Carroll & Sons which has a pattern configuration conforming to a particular pattern. Moreover, pattern designations, such as K-12 and C-12, are used interchangeably since they both describe the same lens pattern configuration. In this connection, Globe Illumination Co. has ordered plastic prismatic panels from KSH Plastics, Inc., by describing the pattern configuration through use of the designation C-12 alone [R. 906-908].

*Mr. Eugene Wade*, reviews fluorescent lighting specifications which are received by Acme and has seen references to prismatic panels in such specifications utilizing "K-numbers" alone. Specifically, Mr. Wade's testimony, on this point and as to his interpretation of what "K-numbers" mean, is as follows:

"Q. In reviewing the specifications with architects and engineers which come to your company, Acme, have you ever seen a K-number in such a specification? A. Yes, I have.

Q. Have you specifically ever seen a K-number such as K-4, K-5, K-11 and K-12, in a specification? A. Yes, I have.

Q. Have you ever seen such a K-number appearing alone in one of these specifications? A. You mean as K-5?

Q. Yes, the term K-5 alone? A. Yes.

Q. How do you interpret and treat such a specification when it is received by your company? A. Well, as a type of plastic diffuser.

Q. When you say type— A. A particular pattern. . . .

Q. Does it indicate to you that the specifier or engineer is requiring a prismatic panel from a particular manufacturer? A. Well, in my experience they usually designate the manufacturer by spelling out the name.

Q. You mean if they want the manufacturer? A. If they want that particular manufacturer.

Q. In such a situation, how would it read in the specification, if they wanted a lens from a particular manufacturer? A. Well, for example, we

would have K-5 as manufactured by KSH. They would signify we should use KSH material. . . .

Q. Does such a specification referring to a K-number alone, indicate to you that the specifier or engineer wants a prismatic panel from a single manufacturer? A. No." [R. 1018-1020].

Mr. George Marx, Vice President of Nu-Lite Mfg. Co., *supra*, pages 10-11, has called upon engineers, specifiers and architects in attempts to have his company's fluorescent lighting fixtures written into electrical specifications. In meeting with such engineers and architects, Mr. Marx discussed "K-numbers," such as K-4, K-5, K-11 and K-12, as referring to certain pattern descriptions only and not to manufacturers [R. 981, lines 6-19]. He refers to the manufacturer of the panel by using specific names such as K-S-H K-4, K-S-H K-5 [R. 981-982].

Mr. Ted Grant, Plant Superintendent of Nu-Lite Mfg. Co., affirmed Nulite's approach to "K-numbers" by stating under cross-examination by plaintiff's counsel:

"Q. And did K-11 and K-12 mean the K-S-H company or did you identify those with the K-S-H company? A. To me it always has been—the numbers were an identifier of a pattern type." [R. 1009, lines 7-10].

#### 4. Testimony of Electrical and Lighting Engineers.

*Plaintiff's "K-numbers" are not associated by specification writers and other purchasers or the trade with a single source or manufacturer. The primary significance of "K-numbers," alone and apart from K-*



*LITE or K-S-H, both in the trade and among purchasers is one of pattern and not producer* [Finding of Fact 10, Vol. I, R. 19].

As an eminently qualified [R. 854-855] electrical engineer and actual buyer of prismatic panels through the use of written specifications employing “K-numbers”, Mr. William A. Root is both an expert in the field and a purchaser, by “K-number”, of the goods which are alleged to have been “palmed-off”. Mr. Root testified that “K-numbers”, such as K-4, are recognized and always used by him solely as a description of prismatic panel configurations or patterns [R. 863, lines 4-24].

As chief Electrical Engineer for his architectural firm, Mr. Root was in charge of the electrical fixture specifications prepared by his firm in connection with the Taylor Elementary School in Corona, California; the Norco and Coronita Elementary Schools in Norco, California; and the San Clemente Elementary Schools in San Clemente, California [R. 856-857]. These electrical fixture specifications [Def. Ex. AL-AO] prepared by Mr. Root, describe the project and the desired material to the general contractor and inform the suppliers as to what he, the buyer, wants. These specifications were before the Court as alleged instances of palming-off. All of these specifications refer to fluorescent lighting fixtures at page E-5-4 under the paragraph entitled “Type-8” as follows:

“Type 8: A 24 x 48 inch, 120 volt, fluorescent, surface-mounted fixture with four 430 MA rapid start lamps with a prismatic acrylic plastic K-4 control lens.

Sunbeam	<i>QK4A-4604-48RS</i>
Smoot-Holman	<i>238-44R-K4-FA</i>
Globe	<i>K4A-8204-48RS</i>
Columbia	<i>FRPS-24-44ORS-M6-K4A</i>
Day-Brite	<i>2X44-790-K4A</i>
Lithonia	<i>2F-440M-K4A</i>
Westinghouse	<i>42-M44OS-24-4KA</i>
Benjamin-Moe	<i>CM-7144-4-K4A</i>
Western	<i>424-48RS-4KA”</i>

[Def. Ex. AI, AO; R. 859-860]. (Emphasis supplied).

In these specifications as identified by Mr. Root, there appears a short description of the fixture requested by the specifier and the catalog number of the manufacturers who will bid or supply the desired fixture. *The K-4 designation in each catalog number indicates the desired pattern of the lens.* In these specifications the designation “K-4” is not intended to specify a prismatic plastic panel from a specific manufacturer. Rather, the term “K-4” is used as a means of describing the particular type of pattern of the lens that is desired [R. 863, 869-871.]

If Mr. Root wished to specify a lens manufactured by a specific company and require that a lens from that company be supplied in the specified electrical fixtures, he would specify the lens by the manufacturer’s name [R. 863, 864, 866].

The Court questioned Mr. Root as follows:

“The Court: Are you familiar with Carolite?

The Witness: I know of them.

The Court: Are you familiar with C-4?

The Witness: Yes.

The Court: Of Carolite?

The Witness: Yes.

The Court: Is that a pattern number?

The Witness: It is. It is the exact copy of the K-S-H pattern.

The Court: *Then whether you designate a K-4 or C-4, you expect the same pattern, is that right?*

The Witness: *I expect essentially the identical lens. I don't care who it is made by.*

The Court: All right.” [R. 864-865]. (Emphasis supplied).

Defendant Sunbeam obtained the contract for supplying the electrical fixtures under the Type-8 units on page E-5-4 of defendant's Exhibits AL through AO, and it was not necessary for Sunbeam to obtain Mr. Root's approval for the use of Carolite prismatic panels in supplying its electrical fixtures on these four jobs where the electrical fixture specifications called for a K4 pattern [R. 876-877]. Specifically, Mr. Root utilized a Sunbeam catalog number in the Type-8 fixture designation which reads as follows: “QK-4-A-4604-48RS”. Here, Mr. Root actually incorporated the designation K-4 as the second and third digits in the Sunbeam catalog number to indicate his intention to obtain a K-4 pattern made out of acrylic [R. 868-869]. By inserting the designation K-4-A in the Sunbeam catalog number, Mr. Root did not intend that

Sunbeam should supply a prismatic lens from K-S-H Plastics [R. 869, lines 13-16].

On cross-examination, Mr. Root did not change his testimony in any respect but reinforced the previously stated view that K-4 represented a pattern and if a particular source is desired, that source is specifically stated in the specifications [R. 890, lines 3-13]. This is true even though he knows that different lens manufacturers use different letters in designating the same patterns [R. 894-895].

*Mr. Henry Simmons* is a consulting electrical engineer and head of the electrical engineering firm of Henry Simmons & Associates. Mr. Simmons' qualifications as an engineer are set forth in detail beginning at R. 805. Mr. Simmons, as a buyer of prismatic panels, recognizes and uses "K-numbers" as descriptions of prismatic panel configurations and not as an identification of K-S-H Plastics [R. 811-812].

In preparing fluorescent lighting fixture specifications, Mr. Simmons describes the plastic prismatic panel he desires on a particular job by referring to the necessary dimensions, *i.e.*, length, width and thickness; the panel material, *i.e.*, acrylic, polystyrene or vinyl; and the panel prism configuration by reference to "K-numbers" such as K-4, K-5, K-11 and K-12 [R. 810-811]. Mr. Simmons has actually used "K-numbers" in fluorescent lighting fixture specifications to describe prismatic panel configurations and has received panels in response to these specifications which were manufactured by parties other than plaintiff. Mr. Simmons accepted these panels as meeting his specifications [R. 812, 813]. When Mr. Simmons has specified a prismatic panel to be supplied by plaintiff K-S-H Plastics,



Inc., he has used the designation “K-11 lens by K-S-H” [R. 815, lines 21-25]. In order to obtain a prismatic panel from a particular manufacturer, Mr. Simmons uses, and believes that it is necessary to use, the actual name of the manufacturer, such as K-S-H or Halophane, etc. [R. 815-817].

While on the witness stand, the court proposed a hypothetical situation for Mr. Simmons. In this situation, Mr. Simmons was asked if his specification had called for a K-4 lens and the fixture supplied incorporated a C-65 lens, what would Mr. Simmons do? Mr. Simmons stated that, assuming that the C-65 lens was photometrically the same as the K-4 lens, he would approve the substitution without questioning the source or origin of the lens [R. 837-838].

Of the remaining two electrical engineers called as witnesses during trial, Mr. J. S. Hamel was not an actual “buyer” since he had never ordered plastic prismatic panels by “K-numbers” alone [R. 513-514]. In fact, while Mr. Hamel had written specifications calling for prismatic panels, he stated that he always used the “name of the manufacturer along with any catalog number or any designation” to specify such panels. Specifically he would order using the following phrase, “K-S-H K-4” [R. 527, lines 12-18].

Supported by the foregoing testimony and evidence the Court further found:

*Plaintiff has not established a secondary meaning to the terms K-4, K-5, K-11 and K-12 [Finding of Fact 11, Vol. I, R. 19].*

*Plaintiff has failed to establish that any party using “K-numbers” alone in ordering or specifying defendant’s*

*fixtures with prismatic lighting panels was specifically seeking to purchase the lighting panels of plaintiff, or that any such purchaser who was supplied with panels manufactured by a party other than plaintiff was deceived, palmed-off on, or otherwise failed to obtain what was intended to be purchased* [Finding of Fact 12, Vol. I, R. 19-20].

### C. The Lincoln Hospital Job.

The Lincoln Hospital job is the only instance wherein plaintiff was able to prove that Sunbeam substituted the products of another where K-S-H products were specified by the electrical engineer or architect [Finding of Fact 14, Vol. I, R. 20]. On this job, Sunbeam originally received specifications calling for a certain number of prismatic lighting panels by the designation "K-S-H K-4" [R. 582, lines 2-11]. In accordance with its standard practices, Sunbeam supplied lighting fixtures incorporating plastic prismatic panels manufactured by plaintiff [R. 589, line 24, to 590, line 3]. At the job site, unbeknownst to Sunbeam, a third party, or parties, caused damage to 305 of the K-S-H panels supplied. Accordingly, some six to seven months after the original purchase order was placed and at a time when Sunbeam personnel believed the job completed, Sunbeam received a purchase order for the Lincoln Hospital job entitled "Change Order" [R. 621-623; Plf. Ex. 146]. This change order requested 305 prismatic lighting panels by the *designation K-4 alone*, without any reference to K-S-H or K-LITE. In compliance with Sunbeam's standard procedure, Sunbeam's employees processed the order as if only the lens configuration or pattern indicated by K-4 was required and, accordingly, since Sunbeam was supplying

the prismatic panels at its cost, supplied panels manufactured by defendant, Carolite. *This "substitution" was not made for the purpose or with the intent of "palming off" Carolite's goods for those of plaintiff, but resulted from Sunbeam's failure to refer back to the original specification requiring K-S-H panels in filling the replacement order* [Finding of Fact 14, Vol. I, R. 20].

### **Questions Involved.**

Whether the primary significance of the designations K-4, K-5, K-11 and K-12 to purchasers and prospective purchasers of prismatic lighting panels and those in the lighting industry is to designate the pattern configuration of such panels or to designate a panel specifically manufactured by K-S-H Plastics, Inc.

Whether specifications or orders calling for Sunbeam's fixtures, and "K-numbered" panels to be furnished therewith, require that plaintiff's products be supplied in the absence of any K-S-H or K-LITE designation used in conjunction with such "K-numbers."

## ARGUMENT.

### A. Summary.

In summary, argument for defendant-appellee, Sunbeam, involves primarily a single issue, that issue being:

Whether a duty to furnish a panel from a single source is imposed on Sunbeam when Sunbeam receives an order or specification identifying the panel to be used as a component in the fixture manufactured by Sunbeam by the alphanumeric designations K-4, K-5, K-11 or K-12 alone and apart from KSH or K-LITE.

The lower Court correctly answered "no."

It is Sunbeam's position that the significance of the alphanumeric designations K-4, K-5, K-11 and K-12 is not such as to warrant the imposition of such a duty. Such designations were used by plaintiff primarily as catalog numbers or pattern designations. They are so understood, regarded and used by Sunbeam, its competitors, and others in the trade as well as by ultimate buyers throughout the industry without regard to source or origin. Such alphanumeric designations have not then risen to such a level of exclusivity or protectability, as to impose upon Sunbeam and others, who understand and recognize them as pattern or part designations, an obligation to buy such panels from plaintiff only.

The lower Court's Finding of Fact Nos. 9, 10, 11 and 12, which are in accord with the above as to the significance, function, effect and duty imposed by the use of plaintiff's designations K-4, K-5, K-11 and K-12, are challenged by plaintiff as erroneous. Such Findings of Fact are amply supported by the evidence and



testimony adduced at trial. It is Sunbeam's position that such Findings of Fact are correct and well founded upon such evidence and testimony and should therefore not be disturbed on appeal.

Sunbeam urges that it is the function, effect and impact of catalog numbers, pattern designations, grade marks and like shorthand descriptions of products, to solely, or at least primarily, indicate a part, model, style, type or pattern of a product. Further, the logical fact that skilled and knowledgeable persons in a particular industry recognize the various catalog designations and part numbers employed by the various manufacturers within a given industry does not elevate such shorthand descriptions to levels of protectability.

Plaintiff would have the Court accept the erroneous proposition that merely because an alphanumeric part designation or catalog number might be incidentally understood as an indication of source or origin, such incidental understanding is sufficient to meet the well established use criteria for acquisition of trademarks. Contrary to plaintiff's contention, the legal mandate is clear—the designations must be indicative solely or at least primarily of source or origin to acquire the status of a technical trademark or a non-technical trademark by reason of secondary meaning. As the lower Court so concluded, and the supporting facts and following authorities amply demonstrate, the symbols K-4, K-5, K-11 or K-12 cannot be trademarks.

Accordingly, the lower Court properly found the significance of plaintiff's designations to be less than that required to impose on Sunbeam the duty urged by plaintiff. This conclusion is particularly sound in

view of the finding that plaintiff has failed to establish that any party using “K-numbers” alone in ordering or specifying defendant’s fixtures with prismatic lighting panels was specifically seeking to purchase the lighting panels of plaintiff, or that any such purchaser who was supplied with panels manufactured by a party other than plaintiff was deceived, palmed-off on, or otherwise failed to obtain what was intended to be purchased [Finding of Fact 12, Vol. 1, R. 19-20].

Thus, it is Sunbeam’s contention herein that the lower Court should be sustained in its ultimate conclusion that Sunbeam has not been guilty of “palming-off” products manufactured by others than plaintiff in response to orders or specifications calling for the pattern designators K-4, K-5, K-11 or K-12 alone.

**B. The Mere Use of the Pattern Designations K-4, K-5, K-11 or K-12 in an Order or Specification Does Not Constitute a Specific Request for Plaintiff’s Products.**

**1. Elements of Palming-Off.**

As indicated by the authorities cited in plaintiff’s appeal brief herein and the summary thereof set forth at page 40 of plaintiff’s brief, the applicable decisional law discloses that to prove “palming-off”, plaintiff must show that:

1. Goods manufactured by plaintiff were requested;
2. Goods manufactured by another were substituted by the defendant; and,

3. The customer was deceived in that, without prior approval or authorization, the customer received that which he did not request.

There are involved in the instant case but two methods whereby Sunbeam has received requests for plastic prismatic lighting panels:

1. That situation where either of the admitted trademarks KSH or K-LITE are used in conjunction with either K-4, K-5, K-11 or K-12 in a specification or order received by Sunbeam; and,

2. That situation wherein prismatic lighting panels are specified or ordered by either K-4, K-5, K-11 or K-12 alone without any reference to either the complete name of the plaintiff or its trademarks, KSH or K-LITE.

Since such is its normal practice, Sunbeam has not controverted the lower Courts' injunctive order that Sunbeam must supply plaintiff's products upon receipt of a request for lighting panels designated by a "K-number" *in conjunction with the terms* K-S-H or K-LITE unless prior approval for substitution is obtained.

Sunbeam has admitted that, upon receiving requests for lighting panels designated by the alphanumeric designations K-4, K-5, K-11 and K-12 *alone*, it has complied with such requests by supplying, on occasion, lighting panels manufactured by other than plaintiff. Therefore, the instant case is concerned only with the first and third elements as set forth above, *i.e.*,

a. Has the consumer specifically requested plaintiff's products when submitting an order or specification calling for plastic prismatic panels designated K-4, K-5, K-11 or K-12 alone? and

b. If, pursuant to such request, the consumer receives a prismatic lighting panel of the same pattern configuration as requested but not manufactured by plaintiff, has such consumer been deceived because he did not receive that which he requested?

**2. The Designation K-4, K-5, K-11 or K-12 Must Be Either a Technical Trademark or Must Have Acquired a Secondary Meaning in Order to Amount to a Specific Request for Plaintiff's Products.**

Contrary to plaintiff's statement at p. 41 of its brief, the clear mandate of this Court is that in order to establish the fraudulent practice of "palming-off" in the above circumstances, it is *necessary* to establish: (1) that the name or symbol given by plaintiff to the injured product is either a technical trademark, or has acquired a secondary meaning sufficient to raise such name or symbol to the level of a nontechnical trademark; and, (2) that another product is intended to be "palmed-off" on a deceived customer.

*Ross-Whitney Corporation, et al. v. Smith, Klein and French Laboratories*, 207 F. 2d 190 (9th Cir. 1953);

*Pacific Contact Laboratories Inc. v. Solex Laboratories, Inc.*, 209 F. 2d 529 (9th Cir. 1953);  
and



*Chun King Sales v. Oriental Fruits*, 136 F. Supp. 659 (S.D. Cal. 1955), mod'd, 244 F. 2d 909 (9th Cir. 1957). See also,

*Lucien Lelong, Inc. v. Lander Co.*, 164 F. 2d 395 (2d Cir. 1947).

(a) The Pattern Designations K-4, K-5, K-11 and K-12 Are Not Technical Trademarks Since They Are Not Used Solely or Even Primarily for the Purpose of Indicating Origin.

(1) The Alphanumeric Designations Have Not Been Used by Plaintiff or the Trade to Indicate Origin but Merely to Indicate the Characteristics, i.e., Patterns, of the Various Panels in Their Line.

Each and every word which a business uses in conjunction with its products does not have trademark or trade name significance. Many of the marks employed in business are employed for other reasons. For example, numbers and alphanumeric designations are often used to indicate characteristics of the article, size, grade, or pattern as contrasted with the origin or source. When used in such a sense there is no intention to adopt such designation as a trademark.

Sunbeam does not quarrel with plaintiff's contentions that a trade symbol or trademark may serve a dual function. However, *the determining factor as to whether such symbol rises to the trademark level is, (whether that trademark be technical or nontechnical) the primary significance or use of the symbol.* The mere fact that a particular symbol may to some persons be incidentally indicative of source is not suffi-

cient to establish either technical or nontechnical trademark rights. If the symbol is viewed as a possible technical trademark, the question of its status turns on how the mark or symbol is used and the intent with which it is used, and specifically whether such mark or symbol is used, and intended to be *used, primarily as an indicator of source or origin* as opposed to an indicator of some other qualitative or descriptive aspect of the product. If the question concerns the status of the symbol as a possible nontechnical trademark, or symbol having acquired a "secondary meaning", the specific question involved is the *primary* significance or meaning acquired by the symbol in the minds of the particular consumer concerned.

A technical trademark may be defined as a word, device or symbol lawfully appropriated by a manufacturer or trader to distinguish his specific products, the *primary purpose* of which is to indicate the origin of his goods and *not* to distinguish a particular grade, style or size of the manufacturer's products. *Mishawaka Rubber and Woolen Mfg. Co. v. S. S. Kresge Co.*, 119 F. 2d 316 (6th Cir. 1941).

It is, of course, well settled that the basic criterion for testing acquisition of any trademark is whether or not such symbol has been appropriated and used as a trademark. Further, *The Trademark Cases*, 101 U.S. 82, 94 (1879) clearly established that the ultimately controlling factor is the *character and extent* of the use of the symbol as a trademark.

As set forth in 3 Callman, *Unfair Competition and Trademarks*, Section 76.2 (d), p. 1190, the use required to raise a trade symbol to trademark status "must carry

with it an *intention* to adopt the mark as a trademark . . .” and further, at page 1187, “Where one mark is used only as an accessory to another, there can be no trademark use.” The intention not to employ the trade symbol or designation as a trademark is enhanced by the regular use of such designation with the house mark. *E.g., General Controls Company v. Hi-G., Inc.*, 212 F. Supp. 152 (D. Conn. 1962). Accord: *In re Walker Process Equipment, Inc.*, 233 F. 2d 329 (CCPA, 1956).

Turning specifically to the status of alphanumerics as technical trademarks, it is stated at 3 Callman *Unfair Competition and Trademarks*, Section 73.1, p. 1137 that,

“Numerals and letters are valid trademarks if they are entirely fanciful and arbitrary, if they have no connection with the article or any of its features or if they are designed *solely* or at least *primarily* to indicate origin. *They are not valid trademarks, however, if . . . they describe or refer to the article or any of its characteristics or if they are not used solely for the purpose of indicating origin.*” (Emphasis supplied).

The character of use required in the acquisition of a technical trademark is set out in the leading and oft cited case of *Amoskeag Mfg. Co. v. Trainer*, 101 U.S. 51, 25 L. Ed. 993 (1879), which case is particularly relevant to the instant case. In that case, the question was presented as to whether the letters “A.C.A.” constituted a valid technical trademark. In reaching the

conclusion that such letters did not constitute a technical trademark, the court stated at page 55:

“... letters or figures which, by the custom of traders or the declaration of the manufacturer of the goods to which they are attached, are only used to denote quality, are incapable of exclusive appropriation;...”

While also citing the *Amoskeag* case, *supra*, in the case of *In re Union Oil Company of California*, 88 F. 2d 492, 493-494 (CCPA 1937), the court, in affirming the decision of the Commissioner of Patents refusing registration to the numerals “76”, (although such mark was many years later granted registration by reason of trademark use and secondary meaning) reviewed other primary authorities relevant to the question of the trademark status of alphanumeric designators. The court stated:

“Many years ago in discussing the question of trademarks, the Supreme Court announced, in *Delaware and H. Canal Co. v. Clark*, 13 Wall. 311, 322, 20 L.Ed. 581, that the office of a trademark was to point out distinctively the origin, or ownership of the article to which it is affixed; or, in other words, to give notice who is the producer, adding, ‘This may, in many cases, be done by a name, a mark, or a device well known, but not previously applied to the same article.’ In the same case, the Supreme Court said that, ‘No one can claim protection for the exclusive use of a trademark or trade name which would practically give him a monopoly in the sale of any goods other than those produced or made by himself,’ and, ‘nor can a



generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, be employed as a trademark . . .’

“In the same case, the following quotation is directly in point here: *‘He has no right to appropriate a sign or a symbol, which, from the nature of the fact it is used to signify, others may employ with equal truth, and therefore have an equal right to employ for the same purpose.’*” (Emphasis supplied.)

The court continued citing the case of *William H. Keller, Inc. v. Chicago Pneumatic Tool Co.*, 298 Fed. 52, 59 (CCA), which case involved the marks “50”, “60”, “80”, and “90” used to distinguish various of its pneumatic tools. In that case the court, in discussing these marks, said, in part:

“Respecting appellee’s trademarks . . . we agree with the District Judge, who found upon the evidence presented that they were invalid . . . There can be no question but what a number may become a good trademark, *if its primary adoption be solely to indicate origin.*” (Emphasis supplied).

Concluding, the court in *In re Union Oil Company of California, supra*, reiterated a most appropriate observation that caution be observed in “holding letters or numerals to be valid trademarks because of their liability to use as grade or quality marks, which should be open to the use of the world.”

In the instant case, the alphanumeric designations of K-S-H were initially employed in their catalogues as a shorthand way of describing a particular lighting panel lens pattern. For example, the first K-S-H

catalogue [Plf. Ex. 5] shows a pattern and adjacent the pattern is a panel description starting with the expression "Type K-2 K-LITE", followed by a description in detail of the panel. The other pages of plaintiff's catalogue are substantially identical referring to "Type K-4 K-LITE", "Type K-5 K-LITE", etc. On each and every page of this first catalogue the word "K-LITE" is prominently displayed with an ® adjacent to it and the word "K-S-H" also appears thereon. Plaintiff has stated that it has a policy of registering its trademarks yet to the date of trial it had not registered any of its "K-numbers".<sup>1</sup> This usage of "K-numbers" as pattern designators has in substance continued in plaintiff's current catalogue [Plf. Ex. 4]. One of the first brochures that appears in their catalogue is a publication entitled "K-S-H K-LITE precision plastic lighting panels" which contains a page showing the various K-LITE lighting panels. Beside each of the various patterns, there is located the number employed to describe the pattern, each followed by a detailed description of what the particular number stands for. This alphanumeric pattern description is carried out by K-S-H throughout its advertising. For example, typical sentences from one of the K-S-H ads is as follows: "The *K-12 pattern* is as simple and basic as the K-5 but the prisms are square on a diagonal axis" (Emphasis added) and "specify K-LITE" [Plf. Ex. 11].

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<sup>1</sup>The attempted registration referred to in the footnote at page 19 of plaintiff's brief which was precluded in the trial indicates that not only were such applications for registration filed after the subject lawsuits [R. 120-122] but that registration was initially refused by the Patent Office on the basis that such marks were mere model designations. They were subsequently published for opposition after *ex parte* proceedings in the Patent Office and such opposition proceedings are now pending.

Plaintiff has never advertised its products under “K-numbers” alone [R. 198]. As may be noted by plaintiff’s Exhibits 4 through 22, all of its advertising and promotional material including catalogues feature the name or trademark K-S-H or K-LITE, with the “K-numbers” serving as an adjunct to identify particular patterns [Def. Exs. V, W]. In other advertisements, specification writers are advised to employ the trademark K-LITE. For example, Exhibit 19 is a typical advertisement directed to architects which states: “Go ahead and specify K-LITE panels” [R. 199, 219-220]. Sunbeam asks that if the “K-numbers” alone mean the source or origin, *i.e.*, K-S-H, why has plaintiff conducted an expensive advertising campaign to educate specification writers to use K-S-H or K-LITE? The answer is painfully obvious. Plaintiff has not used them as an indication of source, but has relied solely on its name and registered trademarks to identify the maker of the goods. To emphasize this conclusion, Mr. Stallhut, president of plaintiff, responded to the question “Has the plaintiff ever used a K-number alone to indicate K-S-H Plastics?”, by stating, “Not to my knowledge.” [R. 215, lines 4-6].

Not only does this descriptive usage carry throughout all of the K-S-H advertising, but it also appears in the manner in which plaintiff marks the boxes containing its lighting panels. The registered trademarks “K-LITE” and “K-S-H-” appear on the boxes in a prominent and largely printed format. The alphanumeric designation appears on the side of the boxes, written in ink or hand stamped, as part of the description of the contents within the boxes. This is the only place that the alphanumeric designations appear in associa-

tion with the product, whereas the word "K-LITE", in very small and in an imperceptible manner, is placed on the product itself [Plf. Ex. 182; R 1145].

The trade has not used K-4, K-5, K-11 and K-12 or comparable alphanumeric designations of other panel manufacturers to identify or be indicative of the source or origin of such lighting panels, but rather to identify a characteristic, *i.e.*, the lens pattern, of such panel from whatever source.

Sunbeam does not deny the fact that there is direct testimony in the record to the effect that "K-numbers" alone have been incidentally associated with a product of the plaintiff, at least in the sense that there is some recognition that K-S-H manufactures such patterns under such designations. However, the record is replete with direct testimony or admissions demonstrating the generic or descriptive significance of the "K-numbers" and their general use as a pattern designation throughout the industry, irrespective of source.

Two recent cases which pointedly set forth the principles relating to such use as style or pattern numbers are:

*In re Waldes Kohinoor Inc.*, 124 USPQ 471  
(POTT & App's Bd. 1960), and,

*Ex parte The Esterbrook Pen Co.*, 109 USPQ  
368 (Com Pat 1966).

In the *Kohinoor* case, the court decided that the numerals 5000, 5131 and 5100 used by Kohinoor to



refer to various tools were not trademarks or subject to trademark protection. These numerals were refused registration on the grounds that the numerals were merely a type or series designation used to differentiate one type of applicant's products from another one of his products. In the *Esterbrook* case, the numerals 2668 employed to designate different pen points were refused registration for the same reason, that is, they merely functioned as type designations or catalog numbers. In reaching this conclusion, the court stated:

“Style numbers used as such and recognized as such are not registerable . . . Applicant uses ‘2668’ as a style number and advertises it as a style number; and in the light of all the evidence submitted, it may be concluded that it is recognized and used by *purchasers—both dealers and the public*—as a style identification of one of applicant's Esterbrook pen points. The number 2668 does not, on the record here, appear to be used as or perform the function of a trademark. It is therefore unregistrable.” (Emphasis supplied).

In Sunbeam's statement of the case at pages 8 to 24 there is set out in considerable detail the testimony and evidence relative to such use and performance.

Such testimony and evidence was adduced from three groups of witnesses, namely: (1) Electrical Engineers and Specifiers who are the ultimate purchasers; (2) Fixture manufacturers who are competitors of Sunbeam and purchasers from the panel manufacturers and sellers of the assembled fixtures to the Electrical En-

gineers; and (3) the panel manufacturers. That testimony can be briefly summarized as follows:

(2) The Electrical Engineers Testified That K-Numbers Alone in Specifications Are Solely Pattern Descriptions.

While the testimony from electrical engineers was presumably intended to provide this court with the statements of four actual buyers, only defendant's witnesses, Messrs. Root and Simmons, testified that they actually used "K-numbers" alone in purchasing prismatic panels. Thus, only *Root* (*supra*, p. 19) and *Simmons* (*supra*, p. 22) testified as actual buyers while plaintiff's witness, Mr. Hamel, testified that he did not use "K-Numbers" alone (*supra*, p. 23) and plaintiff's witness, Mr. Cooper, failed to testify on this point.

Mr. Root testified that "K-numbers" alone are recognized and used solely as descriptions of panel configurations. He has ordered panels by reference to the "K-numbered" pattern and when he has received a panel other than plaintiff's, having the desired pattern, he got what he wanted. Mr. Simmons similarly testified that "K-numbers" alone describe panel configurations only.

It should be noted that the engineer to whom plaintiff gives special attention at p. 29 of his brief, *i.e.*, Mr. Robert E. Kohnen, as to whom "K-4" indicates a "K-S-H acrylic lens" is the engineer involved in the specifications in the Lincoln Hospital Job which called for "K-4 by K-S-H". [Plf. Ex. 154, Plf. Ex. 116, Kohnen Depo. p. 9, lines 8-16]. This is the only instance proved at trial of substitution by Sunbeam of

another's panel when the order specified a *K-number* in conjunction with *K-S-H* or *K-LITE*.

It is clear that as actual purchasers of panels by "K-numbers" alone, the testimony of Defendant's witnesses, Root and Simmons, is entitled to great weight in determining the meaning of "K-numbers". It is submitted that *their actual use of "K-numbers" alone to describe panel configurations only in written lighting fixture specifications*, is most persuasive on the issue of the trademark status of the "K-number" designators.

**(3) Fixture Manufacturers Testified That K-Numbers Alone Were Recognized as Pattern Configurations.**

The testimony presents statements from eight independent manufacturers who are all direct competitors of defendant Sunbeam and thus representative of a major portion of the lighting fixture industry. Of the eight fixture manufacturers, six manufacturers actually purchase and obtain their plastic prismatic lighting panels from a number of different lens manufacturers including K-S-H, Carolite and Sheffield Plastics. These six manufacturers all testified that they recognize and commonly use "K-numbers" alone as pattern configurations only, in their day-to-day operations. Specifically, each of these manufacturers testified that they receive written specifications embodying "K-numbers" alone which they regard as describing pattern configurations only and not as specifying goods from a single manufacturer; they use "K-numbers" alone in their internal operations, *i.e.*, on consumer reports and work-sheets to describe pattern configurations only and in

their sales catalogs; they use “K-numbers” alone in purchase orders directed to lens manufacturers for the purpose of describing the pattern configuration desired; and lastly, many of the fixture manufacturers testified that they call upon and meet with electrical engineers with whom they discuss plastic prismatic panels and during such discussions actually use “K-numbers” alone to describe pattern configurations (*supra*, pp. 9-18).

The remaining two fixture manufacturers, who purchase plastic prismatic panels from plaintiff only, ascribed through their direct and cross-examination a dual roll for “K-numbers” as both describing a prismatic panel configuration, or pattern, and as indicating K-S-H. Further, it should be noted that plaintiff’s counsel, Mr. Ooms, currently, and in the past, has served as the attorney for both of these fixture manufacturers.

The above testimony from the independent fixture manufacturers, who are the purchasers/sellers of the specified panels and the users of “K-numbers” in day-to-day operations, overwhelmingly indicates that “K-numbers” are used almost exclusively in the trade as shorthand descriptions of pattern configurations only. *There is no testimony from any of the fixture manufacturers that “K-Numbers” alone solely or even primarily indicate a product from K-H-S Plastics. The primary significance of “K-numbers” to this group, as shown by their actions and not by mere opinion, is clearly one of pattern description.*



**(4) Other Panel Manufacturers Testified to the Commonness of Alphanumeric Designations of Patterns.**

The testimony of plaintiff's direct competitors, Sheffield Plastics Inc. and Carolite, Inc. indicates that these companies which manufacture plastic prismatic panels having similar pattern configurations to plaintiff's use designations such as "C-numbers" and "SL-numbers" as mere descriptions of various pattern configurations. Both of these companies feel that it is necessary to use their company name, *i.e.*, Sheffield or Carolite, in connection with their pattern designations in order to identify the source of the goods to potential purchasers and users thereof (*supra*, p. 8).

It is submitted that this testimony from plaintiff's competitors showing that they use designations analogous to the "K-numbers" as pattern configurations is persuasive of the fact that "K-numbers" alone are recognized in the industry as pattern configurations only and that the designation K-S-H or K-LITE must be used in association with the pattern description in order to indicate KSH Plastics as the source of the product.

**B. If Other Than a Mere Catalog or Model Designation, the K-Number Designations Are Descriptive of a Pattern and Have Not Acquired a Non-Technical Trademark Status.**

**1. The Designations K-4, K-5, K-11 and K-12 Are Descriptive to the Buyer**

Turning to the question of the descriptiveness of the "K-numbers" in issue, whether or not a given symbol is descriptive at the time of its adoption depends upon

what the actual purchaser understands the symbol to mean when the symbol was adopted. This determination is a question of fact. *Blisscraft of Hollywood v. United Plastics Co.*, 294 F. 2d 694, 699 (2nd Circuit 1961). In that case, the primary question involved was whether or not the term "Poly Pitcher" was a trademark. While finding the term "Poly Pitcher" nondescriptive, the Court applied this test:

"In determining whether a claimed trademark is descriptive at the time of its adoption, *its meaning to a nonpurchasing segment of the population is not important*. The critical question is whether the mark is descriptive to the prospective purchasers of the article . . . so that in testing the initial validity of a common law trademark the critical question is what the expression meant to the purchasing public." (Emphasis supplied).

In the instant case, application of the same test for descriptiveness should lead to the conclusion that the pattern designations K-4, K-5, K-11 and K-12 are descriptive and therefore cannot be valid technical trademarks on this additional basis. Whereas in the *Blisscraft* case, the "purchasing public" or "prospective purchasers" were unsophisticated members of the public at large, in this case it has been amply demonstrated that the actual purchaser is the highly sophisticated and technical trade oriented fixture manufacturer, electrical engineer or architect. Clearly, the owner of the building for which the lighting fixtures are to be purchased cannot be called the ultimate consumer. It is only the specifier, the electrical engineer or architect, and the fixture manufacturer who complies with specifications, who are concerned with the terms or designations em-

ployed to specify the particular qualities of lighting panels installed in the lighting fixtures supplied. All promotional and advertising material emanating from the manufacturers of lighting panels is directed to the fixture manufacturer and specifier. In the instant case, the specifying electrical engineers or architects and the fixture manufacturers are the relevant consumers or "purchasing public".

The evidence presented by the only specifiers who have ever used "K-numbers" alone in specifying fluorescent lighting fixtures clearly demonstrates that they used such "K-numbers" solely as a shorthand description of a particular panel lens pattern or configuration. The fixture manufacturers maintain that same shorthand usage. Even at the time of adoption, such alphanumeric designations would be descriptive to a person in the industry because of the manner of use by plaintiff and others in the industry. A letter and number in the complete abstract has no meaning. However, in this industry, where alphanumeric combinations had been previously used by plaintiff and others as style or pattern designators, they were, from the time of their adoption, mere shorthand descriptions of that pattern shown in the initial advertising and described by a long complex word description to which the alphanumeric combination was equated. The K-numbers were therefore, from the outset, equated to and descriptive of the pattern defined by the photo, actual panel or word description associated with them at the time of their adoption and introduction to the trade. Thus, it must be said that the designations K-4, K-5, K-11 or K-12 cannot be valid common law technical trademarks since, as understood by the "purchasing public", they are descriptive and are not solely or even primarily an indication of source.

2. K-4, K-5, K-11 and K-12 Have Not Acquired a Secondary Meaning in the Minds of the Particular Consumer Concerned Indicative of Source or Origin so as to Rise to the Level of a Non-Technical Trade-mark.

It is, of course, well settled that even alphanumeric symbols, under certain circumstances, may rise to the level of nontechnical trademarks if it is found that a "secondary meaning" has attached to such symbols. However, it is equally as well settled that whether or not a mark or symbol has acquired such "secondary meaning" is a question of fact in each case. The burden of proof required to establish such "secondary meaning" rests with the plaintiff. *Bentley v. Sunset House Distributing Corp.*, 359 F. 2d 140 (9th Cir. 1966); *General Radio Co. v. Superior Electric Co.*, 321 F. 2d 857 (3rd Cir. 1963), *cert. denied*, 376 U.S. 938, 11 L. Ed. 2d 659 (1964); *General Controls Co. v. Hi-G, Inc.*, *supra*; *Hot Shoppes, Inc. v. Hot Shoppe, Inc.*, 203 F. Supp. 777 (M.D.N.C. 1962); and *Jean Patou, Inc. v. Jacquelyn Cochran, Inc.*, 201 F. Supp. 861 (S.D. N.Y. 1962) affirmed, 312 F. 2d 125 (2nd Cir., 1963).

It is Sunbeam's contention that, even assuming *arguendo* that the symbols K-4, K-5, K-11 and K-12 could be said to be something other than grade marks, descriptive symbols or catalog numbers, not only has plaintiff failed in its burden of proof, but that Sunbeam has affirmatively succeeded, in showing that there is no secondary meaning of primarily indication of source.

In the instant case, the primary issue concerning the nontechnical trademark status of K-4, K-5, K-11 and K-12 is the quantum of proof that plaintiff should have



adduced in order to establish the required “secondary meaning”. The application of the doctrine of “secondary meaning” to names and designations, not in themselves technical trademarks, requires that the primary significance of the term in the minds of the particular consuming public concerned is not the product but the producer of the article and that purchasers are moved to buy the article because of its source. *E.g.*, *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 83 L. Ed. 73 (1938); *Bentley v. Sunset House Distributing Corp.*, *supra*; *General Radio Co. v. Superior Electric Co.*, *supra*; *Blisscraft of Hollywood v. United Plastics Co.*, *supra*; and *Lucien LeLong, Inc. v. Lander Co.*, *supra*.

It must be shown that the designation is a mark of distinction identifying a single source. The court has correctly found that there is no secondary meaning in the designations K-4, K-5, K-11 and K-12 [Finding of Fact 11, Vol. 1, R. 19].

The decision in the *Kellogg* case is most relevant to the instant case, both with respect to the facts and the points of law resolved by the Court. A primary issue before the Court was the significance of the term “Shredded Wheat”—whether it meant a particular type of food product or whether it was used by buyers to designate the product of a particular producer. This issue was raised by plaintiff’s claim to the exclusive right to use this trade symbol and by plaintiff’s charge that defendant, by using the name “Shredded Wheat” and the same shape of the article, was passing off, or enabling others to pass off, Kellogg goods for those of plaintiff. As in the present case, there was testimony before the Court that many people associated “Shredded Wheat”

with plaintiff. However, the Court held that such testimony was not determinative. At 83 L. Ed, pages 78-79, the Court stated:

“It is contended that the plaintiff has the exclusive right to the name ‘Shredded Wheat’, because those words acquired the ‘secondary meaning’ of shredded wheat made at Niagara Falls by the plaintiff’s predecessors. There is no basis here for applying the doctrine of secondary meaning. The evidence shows only that due to the long period in which the plaintiff or its predecessors was the only manufacturer of the product, many people have come to associate the product, and as a consequence the name by which the product is generally known, with the plaintiff’s factory at Niagara Falls. But to establish a tradename in the term ‘Shredded Wheat’ the *plaintiff must show more than a subordinate meaning* which applied to it. *It must show that the primary significance of the term in the minds of the consuming public is not the product but the producer.*” (Emphasis supplied).

The significance of this decision with respect to the facts set forth hereinbefore is of apparent impact. First, it establishes the law that mere testimony of association between the name and the producer is insufficient—even the testimony of “many people.” Thus, testimony here that a witness knows that “K-numbers” are used by K-S-H is insufficient. What is needed is a showing that the primary significance of the term in the minds of buyers when seeking the product is a particular source. Translated to the instant case, plaintiff must show that when ordering by “K-num-

bers" alone, the fixture manufacturers, architects and specification writers are seeking specifically a product of K-S-H and no other. As in *Kellogg*, plaintiff herein has rested its case on testimony which does not establish that the basic or primary meaning attributable to "K-numbers" among buyers is the source or origin of plaintiff's products, but rather has rested its case on evidence tending to indicate, at most, an incidental recognition of the manufacturer among some witnesses who associate the "K-numbers" with K-S-H patterns because of their intimate knowledge of the local trade.

Again, the record is replete with direct testimony or admissions demonstrating the generic or descriptive significance of the "K-numbers" and their general use as pattern designations throughout the industry, irrespective of source.

In an effort to rebut such testimony plaintiff has relied on the testimony of its officers, agents and purely theoretical purchasers, *i.e.*, those who do not utilize "K-numbers" alone in ordering or specifying prismatic panels, to the effect that "K-numers" designate K-S-H. At best, such testimony indicates that a few isolated non-purchasing individuals attribute a dual significance to "K-numbers". Not a single witness has testified that "K-numbers" are primarily indicative of source or origin. The testimony of Mr. Teague of Sheffield Plastics is most noteworthy. While declaring that the "K-numbers" mean K-S-H to him, he adds that it is his company's practice to always use the pattern designation "SL-numbers" in conjunction with the name "Sheffield" so that purchasers would know who manufactured its panels [R. 247, lines 4-21]. Most

importantly, as set forth in the preceding section, the testimony of plaintiff's officers is completely refuted by their demonstrated use and intent to use the "K-numbers" as pattern designations only. Such evidence as has been adduced by plaintiff clearly cannot sustain the burden of proof by a mere showing of a dual role for the "K-numbers" or by showing that some parties in the industry, not actual purchasers, associate the "K-numbers" with plaintiff. Again, the legal mandate is clear—it is the primary significance of the symbol utilized in the minds of actual purchasers that is used to determine whether or not secondary meaning is to attach to the symbol. Viewed in this light, plaintiff has acquired no non-technical trademark rights in the symbols K-4, K-5, K-11 and K-12.

Additionally, under both California and Federal law as particularly stated by this Court, the establishment of a "secondary meaning" for a non-technical trademark in an unfair competition action requires not only a showing that the primary significance of the term, symbol, device or feature at issue among actual purchasers is the source or origin of the goods, as heretofore discussed, but in addition plaintiff must establish:

a. That the symbol is distinctive and not used by others so that it signifies to purchasers only a single source or producer; and,

b. That purchasers are moved to buy the article because of the source so that in using the symbol they are asking for a product of a particular company.

In the recent decision in *Bentley v. Sunset House Distributing Corp.*, *supra*, this Court stated:



“We think the evidence also insufficient under the secondary meaning doctrine. To show that some secondary meaning existed, it was necessary for Bentley to establish that the public at least has become accustomed to regard its . . . [product] as emanating, if not from it by name, at least from a single, though anonymous maker . . . [citations omitted]. This he has not done. *Nor has he proved another necessary element, that the public bought Sunset House’s competing molds because they supposedly emanated directly or indirectly from Bentley. Hygenic Specialties Co. v. H. G. Salsman, Inc., 2nd Circuit, 1962, 302 F. 2d 614, 620. The District Court properly held that unfair competition had not been proved. [Citations omitted]”.* (Emphasis supplied).

Accord:

*Blisscraft of Hollywood v. United Plastics, Co., supra.*

In this connection, plaintiff, at page 41 of its brief herein, has cited the case of *Coca Cola Co. v. Boas*, 27 F. 2d 756 (D. Idaho 1928), as rejecting the defense that defendant’s (Boas) customers were not calling for Coca Cola “. . . ‘Coke’ was not a trademark at that time.” It is to be noted that the actual basis of the court’s conclusion in that case was the finding that:

“. . . the word ‘Coke’ has become, and was known to the defendant and the purchasing public to be, a *secondary meaning* of plaintiff’s trademark, ‘Coca-Cola’, and *indicating its product alone.*” (p. 757) (Emphasis supplied.)

Such a finding is entirely consistent with Sunbeam's position herein, *i.e.*, unless the sole or primary significance of the designations K-4, K-5, K-11 and K-12 is one of indicating source or origin, no duty is imposed on Sunbeam to supply plaintiff's products exclusively when ordered by "K-numbers" alone.

Thus, the significance of "K-numbers" as established by the direct testimony of the actual purchasers, together with the evidence of the usages in the trade of alphanumeric designations, is of primary value in determining the instant case. The evidence adduced at trial precludes a finding of "secondary meaning" for the "K-numbers" alone. This for the reason that, as set forth above, secondary meaning requires association with a single, albeit anonymous, source. In the instant case the testimony has established that many others in the industry use alphanumeric product designators and some even use "K-numbers." Luminous Ceilings and Acme, for example, show "K-numbers" in their catalogs and in response to catalog orders for panels regularly furnish panels manufactured by others than plaintiff. The record shows that "K-numbers" are regularly and substantially used by these and other companies in the sale of products of third parties. Such usages also include "K-numbers" other than those that allegedly represent plaintiff's goods, such as K-6, K-QT23, and K-296. Moreover, fixture manufacturers other than Sunbeam use "K-numbers" in ordering lighting panels from lens manufacturers other than plaintiff.

Thus, Sunbeam submits that regardless of any testimony of plaintiff's individual witnesses to the effect that the "K-numbers" may incidentally indicate

K-S-H to them, the established uses of alphanumeric designators throughout the industry and the primary significance of “K-numbers” precludes the conclusion that plaintiff’s alphanumeric pattern designators signify to purchasers only a single source or producer as well as the conclusion that the purchasers utilize “K-numbers” because they expect products emanating directly or indirectly from plaintiff.

**C. Plaintiff Has Failed to Establish That Any Party Using “K-numbers” Alone in Ordering or Specifying Defendant’s Fixtures With Prismatic Lighting Panels Was Specifically Seeking to Purchase the Lighting Panels of Plaintiff or That Any Such Purchaser Who Was Supplied With Panels Manufactured by a Party Other Than Plaintiff Was Deceived, Palmed Off on, or Otherwise Fail to Obtain What Was Intended to Be Purchased.**

Sunbeam is not guilty of unfair competition by substituting without authorization lighting panels manufactured by others than plaintiff when the specification or purchase order designates the lighting panels to be supplied by a “K-number” alone and apart from K-S-H or K-LITE [Conclusion of Law 5, Vol. I, R. 21].

In order to sustain its claim of unfair competition, plaintiff must show that a purchaser in a “palming off” situation did not, in fact, get what he asked for. Plaintiff has, as demonstrated by its argument as set forth at pages 38-43 of its brief herein, consistently begged the primary question of the instant case, *e.g.*, in his analogy at page 42, plaintiff argues that it would be unfair competition to substitute when panels are specified as those “. . . made and sold by a particular manufac-

turer . . . and designated by a trade symbol K-4, K-5, K-11 or K-12.” (Emphasis supplied.) While this may be true where “K-numbers” are used in conjunction with K-S-H or K-LITE, in the instant case, in order to establish such claim, plaintiff must show that when a “K-number” *alone* was designated in a specification or order, the purchasers, the fixture manufacturer, the architects or engineers intended to receive panels from a specific or certain source, *i.e.*, from plaintiff. There is no “palming off” when a purchaser does not rely on the name or symbol used in order to obtain a product of a particular manufacturer, *e.g.*, *Bentley v. Sunset House Distributing Corp.*, *supra*; *Hygenics Specialties Co. v. H. G. Salzman, Inc.*, 302 F. 2d 614 (2nd Cir. 1962); *Sinko v. Snow-Craggs Corp.*, 105 F. 2d 450 (7th Cir. 1939); *Crescent Tool Co. v. Kilbourne and Bishop Co.*, 247 Fed. 299 (2nd Cir. 1917); *Stevens Linen Works v. William and John Dawn and Co.*, 127 Fed. 950 (2nd Cir. 1904); *Schmidt Manufacturing Co. v. Sherril Industries, Inc.*, 249 F. Supp. 480 (W.D.N.C. 1965).

In the leading California and Federal cases involving “palming off” through the use of a word, symbol or device, not a technical trademark, which symbol was alleged to have acquired “secondary meaning”, direct evidence of intentional “palming off” or *actual* customer deception has consistently been noted or relied upon in reaching a determination of plaintiff’s unfair competition claim. *E.g.*, *Winestock, Lubin and Co. v. Marks*, 109 Cal. 529 (1895); *Modesto Creamery v. Stainslaus Creamery Co.*, 168 Cal. 289 (1914); *Dodge Stationery Co. v. J. S. Dodge Co.*, 145 Cal. 380



(1904); *Banshaf v. Chase*, 150 Cal. 180 (1907); *Italian Swiss Colony v. Italian Vineyard Co.*, 158 Cal. 252 (1910); *Family Record Plan v. Mitchell*, 172 Cal. App. 2d 235, 342 P. 2d 10 (2nd Dist. 1959); *Visser v. Macres*, 214 Cal. App. 2d 249, 29 Cal. Rptr. 367 (4th Dist. 1963); *Filon Plastics Corp. v. H. Koch and Sons*, 243 F. Supp. 636 (N.D. Cal. 1965). In summary, the California law demonstrates that the decisions in favor of the plaintiff in cases involving alleged “palming off” through the use of a word, symbol or device require a much greater quantum of proof of actual customer deception than trademark infringement actions. This proof, as shown by the record and findings of the California courts in these leading cases, includes at least some evidence of actual deception in all instances, or clear intent to defraud buyers, as made apparent by copying. Sunbeam has found no case of unfair competition holding for plaintiff under California law where evidence of deception from purchasers was either non-existent or, as in the instant case, affirmatively demonstrated that they were not deceived or “palmed off” on.

The alleged “palming off” by Sunbeam which constitutes the gist of the unfair competition claim asserted in this action is predicated on the theory that Sunbeam has supplied to purchasers prismatic panels other than those which the buyer has sought or requested. Sunbeam urges that great weight should be given to the only direct and significant evidence produced; that is, the testimony of the actual purchasers who ordered by “K-numbers” alone as to whether or not they have been deceived or were the unwary victim of any “palming off.”

Concerning the question of the sufficiency of plaintiff’s proof of any deception, “palming off,” or even

likelihood of deception or confusion, it is Sunbeam's contention that where specialized purchasers are involved, as in the instant case, plaintiff must base its proof as to "palming off" on those particular purchasers. *E.g.*, *Fram Corp. v. Boyd*, 230 F. 2d 931 (5th Cir. 1956); *Pyle National Co. v. Oliver Electric Manufacturing Co.*, 281 Fed. 632 (8th Cir. 1922), *cert. denied*, 260 U.S. 736, 67 L. Ed. 488 (1922); *PIC Design Corp. v. Sterling Precision Corp.*, 231 F. Supp. 106 (SDNY 1964).

While the previously cited California cases dealt for the most part with consumer goods which were casually purchased by housewives and the like, *i.e.*, people who are most easily subject to deception, the present case concerns technical purchasers, *i.e.*, fixture manufacturers, engineers and architects who are most familiar with the goods and their sources, as well as the proper and most convenient technical terminology for ordering such goods. Sunbeam submits that there is a substantial difference. The technical purchaser is far less likely to be deceived. He is an expert in the field and less vulnerable to deception than the casual purchaser of bread, for example. Moreover, his need for the protection of the Court to prevent "palming off" on him is more remote.

Even in cases involving nontechnical buyers, the California courts have shown a strong tendency to hold for the plaintiff only on a showing of actual deception or palming off. Where no actual deception or "palming off" is shown and, as in the instant case, the purchasers involved are technically oriented personnel intimate with a highly specialized field, we urge that a holding in favor of plaintiff would not be warranted. Certainly,

if some evidence of actual purchaser deception is requisite to establish the case of unfair competition where the subject matter is casually bought, at least as high, and logically a higher order of proof, should be required where technical purchasers are involved.

In the instant case, testimony of the purchasers, lighting fixture manufacturers and electrical engineers who order and specify by "K-numbers" alone, was available to plaintiff but no such allegedly deceived buyers were produced by plaintiff. Prior to the time that this action was brought against Sunbeam, plaintiff obtained, by discovery, the Sunbeam files of approximately a dozen jobs on which panels were specified by "K-numbers" alone or by "K-numbers" plus K-S-H. The architects and specification writers on these jobs were known to plaintiff.

Immediately following the institution of this action against Sunbeam, plaintiff filed its motion for a preliminary injunction relying on four of these jobs—the Lincoln Hospital job, plus—three others on which the architects or specification writers were: Mr. H. Thomas Wilson, the Charter Oaks Presbyterian Church job; Mr. Leo Press of the Los Angeles Trade Technical College job; and Mr. Boris Z. Boris on the Ronson Hydraulic job. On the motion for preliminary injunction, plaintiff asserted that each of these parties was the victim of Sunbeam's palming off, and affidavits of Mr. Press and Mr. Wilson were presented to establish actual purchaser confusion. According to plaintiff, these were exemplary cases on which plaintiff intended to rely at the trial.

At the trial of this action, plaintiff failed to call any of these three actual purchasers, Mr. Wilson, Mr. Press

or Mr. Boris, despite the fact that they were all within the subpoena jurisdiction of the Court. Instead, plaintiff called only theoretical purchasers—experts who had apparently never ordered or specified by “K-numbers” alone.

Sunbeam submits that plaintiff’s failure to call any of these specification writers is highly significant. Plaintiff previously recognized the absolute necessity for some testimony along this line as evidenced by its efforts to establish actual “palming off” in its preliminary injunction motions. However, the Court will no doubt recognize that these are not the kind of people who will say that they have been deceived or “palmed off” on when such is not the case—they are not amenable witnesses to ready suggestion but are, as a group, highly independent in their views. Clearly, plaintiff could not get any fixture manufacturer, electrical engineer or architect who had specified by “K-number” to state that he meant by that specification a K-S-H product, and was therefore the victim of “palming off” when products other than those manufactured by plaintiff were supplied by Sunbeam. Clearly, plaintiff determined that it must rely on mere likelihood of “palming off” for lack of qualified testimony by any purchaser that he was deceived. Plaintiff’s reliance on secondary evidence when primary evidence, the testimony of the actual purchasers, was available and not used, is fatal to plaintiff’s case.

More important than the inferences which must be derived from plaintiff’s failure to produce any actual purchase equally available to plaintiff and Sunbeam, Sunbeam urges that all the evidence points to complete absence of any deception or any actual “palming off”



by plaintiff. As previously stated, Mr. Root was the only witness called who prepared any specifications on any of the jobs in evidence at the trial alleged by plaintiff in pretrial proceedings to be instances of palming off. On the four school job specifications which were prepared under his direction, Mr. Root used "K-numbers" without K-S-H. He did not intend thereby to specify a panel manufactured by plaintiff. He received panels of the proper pattern—thus he got that for which he asked, he was not deceived, confused or "palmed off" on. Following a discussion of these jobs for which he prepared the specifications [Def. Ex. AL-AO], and his characterization of the specifications as calling for a particular pattern and not a particular maker [R. 858-863] Mr. Root concluded specifically with respect to the Carolite panels furnished by Sunbeam [R. 877], stating:

"Q. And your firm has inspected these four jobs? A. Yes.

Q. And what did they find in the lighting fixtures? A. We found what was specified.

Q. And that was the pattern that was specified? A. That is correct.

Q. So in other words, Mr. Root, you got on these jobs what you asked for, is that correct?

A. That is correct."

In summary, no evidence has been produced by plaintiff establishing that any actual purchasers who used "K-numbers" alone in specifications or orders even intended thereby to receive panels of plaintiff's specific manufacture rather than panels of the particular pattern designated, and no evidence of actual deception or "palming off" by Sunbeam or of Sunbeam's intent to deceive or "palm off", is established.

On the other hand, there is substantial testimonial evidence by the actual purchasers of prismatic panels by “K-number” alone that the “K-numbers” are utilized to primarily indicate a particular lens pattern and that, if that pattern is received, they have not been deceived or “palmed off” on if such panel was not manufactured by plaintiff.

Therefore, Sunbeam submits, in accordance with the foregoing facts and authorities, that Sunbeam has not been guilty of unfair competition by substituting lighting panels manufactured by other than plaintiff upon request for K-4, K-5, K-11 or K-12 panels and that the court’s Findings and Conclusions to that effect should be affirmed.

**D. The Lincoln Hospital Job Was an Isolated Instance of Inadvertent Substitution in Response to an Order Specifying by Use of the Mark K-S-H, Is Not Relevant to Orders Specifying Panels by K-Numbers Alone, and Will Not Support Plaintiff’s Broad Claim of Unfair Competition.**

The lower court’s conclusion that Sunbeam was guilty of unfair competition by substituting panels manufactured by others than plaintiff upon receipt of an order specifying *K-S-H together* with a “K-number” on the Lincoln Hospital job constitutes a separate and distinct, isolated holding insufficient in itself to support plaintiff’s broad claim for injunctive relief based upon use of “K-numbers” alone.

Sunbeam has not appealed from the injunctive relief granted with respect to the obligation by Sunbeam to supply K-S-H products when such products are ordered by the K-numbers in conjunction with the terms

K-S-H or K-LITE *since such is its standard business practice.*

From the foregoing explanation of the salient facts surrounding Sunbeam's supplying of prismatic panels to the Lincoln Hospital job, it is clear that Sunbeam, whether properly or improperly, regarded the change order [Plf. Ex. 146], received some six to seven months after completion of the original project, as a separate and distinct order calling for the furnishing of a "K-numbered" prismatic panel which must match in configuration the material already installed. Such a supply procedure is entirely consistent with Sunbeam's general practice of supplying a particular manufacturer's goods when such goods are particularly specified and using its discretion as to manufacturer in supplying goods wherein the order refers only to particular pattern designations.

If, however, this Court is of the same opinion as the lower Court that because the change order bore the same purchase order number as the original order [Plf. Ex. 154] that Sunbeam is required to treat the change order as a mere continuation of the original order, then the only guilt attributable to Sunbeam is inadvertence in the internal processing of the change order. The testimony before the lower Court clearly indicates that the Sunbeam personnel who are responsible for reviewing orders for goods did not refer to the original order in determining what goods to supply under the change order (*supra*, p. 24). Even though this be incorrect in the eyes of the Court, Sunbeam contends that it does not amount to a "palming off" of other's goods for those of plaintiff nor was it intended to be.

Since Sunbeam's conduct in supplying goods under the change order may be deemed to be improper by inadvertence, if at all, this is not persuasive on the issue of unfair competition. Considering that Sunbeam bids on and fills orders for thousands of lighting fixture specifications yearly, it is submitted that one or two mistakes where the wrong goods are furnished are very likely to occur. In fact, it would seem that any business, plaintiff's included, would find a few such mistakes in the thousands of purchase orders processed annually. In this instance, no inferior goods were substituted and there has been absolutely no showing by plaintiff of any intent to defraud, or of any regular or continued practice by Sunbeam of "palming off" the lighting panels of others for those of K-S-H on specifications actually requesting prismatic panels manufactured by K-S-H.

A single isolated instance of confusion or alleged "palming off" is insufficient to establish unfair competition or the need for injunctive relief.

As this Court stated in the case of *Rohr Aircraft Corp. v. Rubber Tech. Inc.*, 163 F. Supp. 787 (SD Cal. 1957) affirmed, 266 F. 2d 613 (9th Cir. 1959):

"It is true that plaintiff was able to produce one instance in which there has been a confusion between plaintiff's seal and defendant's seal; but it is admitted that the seals in question are sold by the thousands to a multitude of manufacturers, and to produce one, isolated incident where there is confusion does not establish confusion within the meaning of the law. Consequently, the Court will hold there is no unfair competition as alleged in plaintiff's complaint."



This view has been consistently followed by the Ninth Circuit in *American Automobile Insurance Co. v. American Auto Club*, 184 F. 2d 407 (9th Cir. 1950), wherein is stated that confusion cannot be shown by pointing out that at some place, and some time, someone made a false identification. See also *McGraw-Hill Publishing Co. Inc. v. American Aviation Associates*, 117 F. 2d 293 (DC 1940).

In actuality, the Lincoln Hospital job is irrelevant to the main issue before the Court concerning the meaning and use of "K-numbers" alone. For this reason alone, the lower Court's isolated holding with respect to the Lincoln Hospital job should not, in view of the foregoing, support plaintiff's broad claim for injunctive relief covering the use of such "K-numbers" alone.

### Conclusion.

Plaintiff has completely failed to prove that, under the ordering system in use in the industry, the highly knowledgeable purchasers within the industry have, by ordering or specifying by "K-numbers" alone, expected to receive plaintiff's products. The lower court concluded, and the record amply supports such conclusion, that neither plaintiff itself nor the actual purchasers of prismatic panels have ever regarded or used the "K-numbers" in any way other than as descriptive designators of particular patterns or types of panels and not as an indicator of source or origin and are therefore not trademarks. Further, the lower Court concluded that the "K-numbers" used as trade symbols have acquired no "secondary meaning" primarily indicative of source or origin and therefore are not non-technical trademarks. Not only has plaintiff failed to produce evidence of such primary significance, but the record affirma-

tively demonstrates that the primary significance of such trade symbols in the minds of the actual purchaser is that of a pattern or descriptive designation. Therefore, under established legal principles, Sunbeam submits that such "K-numbers" alone do not in themselves amount to a specific request for plaintiff's products.

Plaintiff has produced no evidence whatsoever that any of the highly knowledgeable actual purchasers have been deceived, "palmed off" on or otherwise failed to receive that which they requested by "K-numbers" alone. The single isolated instance of Sunbeam's possible inadvertence on the Lincoln Hospital job is not only irrelevant to the issues concerning "K-numbers" alone but is, in itself, insufficient to support plaintiff's broad claims for injunctive relief.

Therefore, Sunbeam respectfully submits that the lower Court's Findings of Fact, Conclusions of Law and Judgment and Order should be sustained by this Court.

Respectfully submitted,

SPENSLEY, HORN & JUBAS,

By W. ROBERT SPENSLEY,

*Attorneys for Appellee.*

### **Certificate.**

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

W. ROBERT SPENSLEY









## APPENDIX.

### Findings of Fact and Conclusions of Law.

United States District Court, Central District of California.

K-S-H Plastics, Inc., a Missouri corporation, Plaintiff, v. Sunbeam Lighting Co., Inc., a California corporation, Defendant. Civil Action No. 66-168-HW.

The above-entitled cause having come on regularly for consolidated trial with the case of K-S-H Plastics, Inc. vs. Carolite, Inc. et al. (Civil Action No. 65-1238-HW) and the Court having duly considered the evidence and the post trial briefs filed by the parties, and being fully advised in the premises, on the whole record now makes the following:

#### *Findings of Fact*

1. Plaintiff, K-S-H Plastics, Inc., is a corporation incorporated under the laws of the State of Missouri, having its principal place of business at Kirkwood, Missouri.

2. Defendant, Sunbeam Lighting Co., Inc., is a corporation incorporated under the laws of the State of California and has its principal place of business at Los Angeles, California.

3. Plaintiff is a manufacturer of plastic lighting panels and began to make and sell plastic prismatic lighting panels in 1958 and has continued to do so throughout the United States up to and including the present time.

4. Defendant Sunbeam is a manufacturer of lighting fixtures and sells plastic lighting panels with its fixtures. When lighting panels other than defendant's proprietary panels are specified, Sunbeam purchases

these lighting panels from manufacturers such as defendant, Carolite, Inc., or others.

5. Lighting fixtures and lighting panels are distributed by a specification and bid system in which the specifications are prepared by architects or electrical engineers as agents of the building owner. The specification may designate the lighting fixture and the lighting panel to be supplied therewith by the use of the fixture manufacturer's name, trade designation, or catalog symbol, which incorporates the description of the panel normally supplied with the fixture designated. In relatively few instances the specifications on which Sunbeam bids describe the panels separately from the fixture using so-called K-number designations following the description of the fixture, as, for example, "K-5 Acrylic Panels"; in still fewer instances these so-called K-numbers are employed in specifications with the trademark or trade name of the plaintiff as, for example, "KSH K-5 Acrylic Panels." Defendant Sunbeam has admittedly furnished panels of Carolite, Inc. on specifications calling for K-number panels alone and without mention of KSH or K-LITE, and the basic question involved in this case is the primary significance of these K-numbers, whether pattern or source, among purchasers and specifically whether such specifications or orders calling for defendant Sunbeam's fixtures and K-numbered panels to be furnished therewith require the furnishing of the panels of plaintiff in the absence of any KSH or K-LITE designation used with such K-numbers.

6. In 1958, plaintiff adopted and began to use the trademark K-LITE on and in connection with the sale of a line of its specification quality plastic prismatic lighting panels. The term K-LITE is registered under



the Federal Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq., on the Principal Register, as Registration No. 687,973, issued November 10, 1959, which registration is presently in full force and effect, and plaintiff has now acquired incontestable rights in such term under the provisions of 15 U.S.C. Sec. 1065. Defendant has not contested the validity of such registration nor plaintiff's exclusive rights to use the K-LITE mark.

7. Prior to 1957, plaintiff adopted and began to use the trademark K-S-H on and in connection with the sale of plastic prismatic lighting panels. The term K-S-H was registered under the Federal Trademark Act of 1946, 15 U.S.C. Sec. 1051, et seq., on the Principal Register, as Registration No. 639,495, issued January 8, 1957, which registration is presently in full force and effect, and plaintiff has now acquired incontestable rights in such term under the provisions of 15 U.S.C. Sec. 1065. Defendant has not contested the validity of such registration nor plaintiff's exclusive rights to use the K-S-H mark.

8. It is stipulated that plaintiff presently manufactures and sells a number of different patterns of plastic prismatic lighting panels. Plaintiff identifies its different plastic prismatic lighting panel patterns with "K-numbers", each pattern bearing a different number preceded by the capital letter "K". The plastic prismatic lighting panels which are the subject of this action are K-4, K-5, K-11, and K-12. These patterns were first sold by plaintiff as follows:

K-4	About May 1958
K-5	About March, 1959
K-11	January, 1963
K-12	October, 1963

9. Other manufacturers, such as defendant Carolite, produce panels of similar or identical pattern to plaintiff's K-numbered panels, but plaintiff is the only lighting panel manufacturer using the specific K-numbers, K-4, K-5, K-11, and K-12. Plaintiff has never advertised its products under K-numbers alone and all its advertising and promotional material including catalogs feature the name or trademark KSH or K-LITE with the K-numbers serving as an adjunct to identify particular patterns. In plaintiff's advertising purchasers are not instructed to use K-numbers to specify the goods, but are advised to employ the trademark K-LITE. It does not appear that plaintiff itself has generally regarded the K-numbers as an indication of source or used them as such, but has relied on its name and registered trademarks to identify the maker of the goods.

10. K-numbers are regularly and substantially used by other fluorescent fixture manufacturing companies in the promotion and sale of lighting panels of others in a similar or identical pattern to plaintiff's K-numbered panels. They are generally used in specifying, ordering, and supplying panels to indicate the pattern only. Such K-numbers are not associated by specification writers and other purchasers or the trade with a single source or manufacturer. The primary significance of K-numbers, alone and apart from K-LITE or KSH, both in the trade and among purchasers is one of pattern and not producer.

11. Plaintiff has not established a secondary meaning to the terms K-4, K-5, K-11, and K-12.

12. Plaintiff has failed to establish that any party using K-numbers alone in ordering or specifying de-

fendant's fixtures with prismatic lighting panels was specifically seeking to purchase the lighting panels of plaintiff, or that any such purchaser who was supplied with panels manufactured by a party other than plaintiff was deceived, palmed off on, or otherwise failed to obtain what was intended to be purchased.

13. Specifications prepared by electrical engineers and architects which describe or designate lighting panels with a K-number in conjunction with the terms K-S-H or K-LITE are a demand upon the lighting fixture manufacturer to provide a lighting panel manufactured only by plaintiff, and if a lighting panel manufactured by a party other than plaintiff is offered or supplied, prior approval must be obtained from the architect or electrical engineer who prepared the specification.

14. Defendant substituted, without authorization or approval, 305 replacement lighting panels manufactured by Carolite, Inc. which were identical in appearance and structure to the K-S-H K-4 lighting panels demanded by the original specifications for installation in the John C. Lincoln Hospital and actually supplied on the original job. The substitution was not made for the purpose or with the intent of palming off Carolite's goods for those of plaintiff, but resulted from defendant's failure to refer back to the original specification requiring K-S-H panels in filling the replacement order, and the furnishing of the replacement panels of Carolite on the Lincoln Hospital job was the only instance of unauthorized substitution by Sunbeam which was established at the trial of the action.

#### *Conclusions of Law*

1. This Court has jurisdiction over the parties and of this action.

2. Plaintiff does not have an exclusive right to use "K-numbers" in the lighting panel industry.

3. Plaintiff does not have any common law trademark rights in K-4, K-5, K-11, and K-12.

4. Plaintiff's Federally registered trademarks, K-LITE (No. 687,973) and KSH (No. 639,495) are valid and plaintiff has the exclusive right to the use of these terms.

5. Defendant is not guilty of unfair competition by substituting without authorization lighting panels manufactured by others than plaintiff when the specification or purchase order designates the lighting panels to be supplied with a K-number alone and apart from KSH or K-LITE.

6. When specifications call for K-LITE or for K-S-H K-4, K-5, K-11, or K-12, defendant cannot substitute other materials. Such substitution would be unfair competition. Defendant has been guilty of unfair competition in substituting 305 K-4 replacement panels on the Lincoln Hospital job.

7. Plaintiff is entitled to a permanent injunction against defendant preventing defendant from unfair competition by palming off and specifically preventing the substitution of lighting panels manufactured by others for those of plaintiff when plaintiff's lighting panels are specified or ordered by K-number in conjunction with K-S-H or K-LITE.

8. Plaintiff is entitled to nominal damages of Fifty Dollars and such costs in this action as may be taxed by the Court.

Dated: May 4, 1967.

[illegible]

United States District Judge.



### Final Judgment.

United States District Court, Central District of California.

K-S-H Plastics, Inc., a Missouri corporation, Plaintiff, v. Sunbeam Lighting Co., Inc., a California corporation, Defendant. Civil Action No. 66-168-HW.

In accordance with the Findings of Fact and Conclusions of Law herein made by the Court, it is hereby ordered and adjudged:

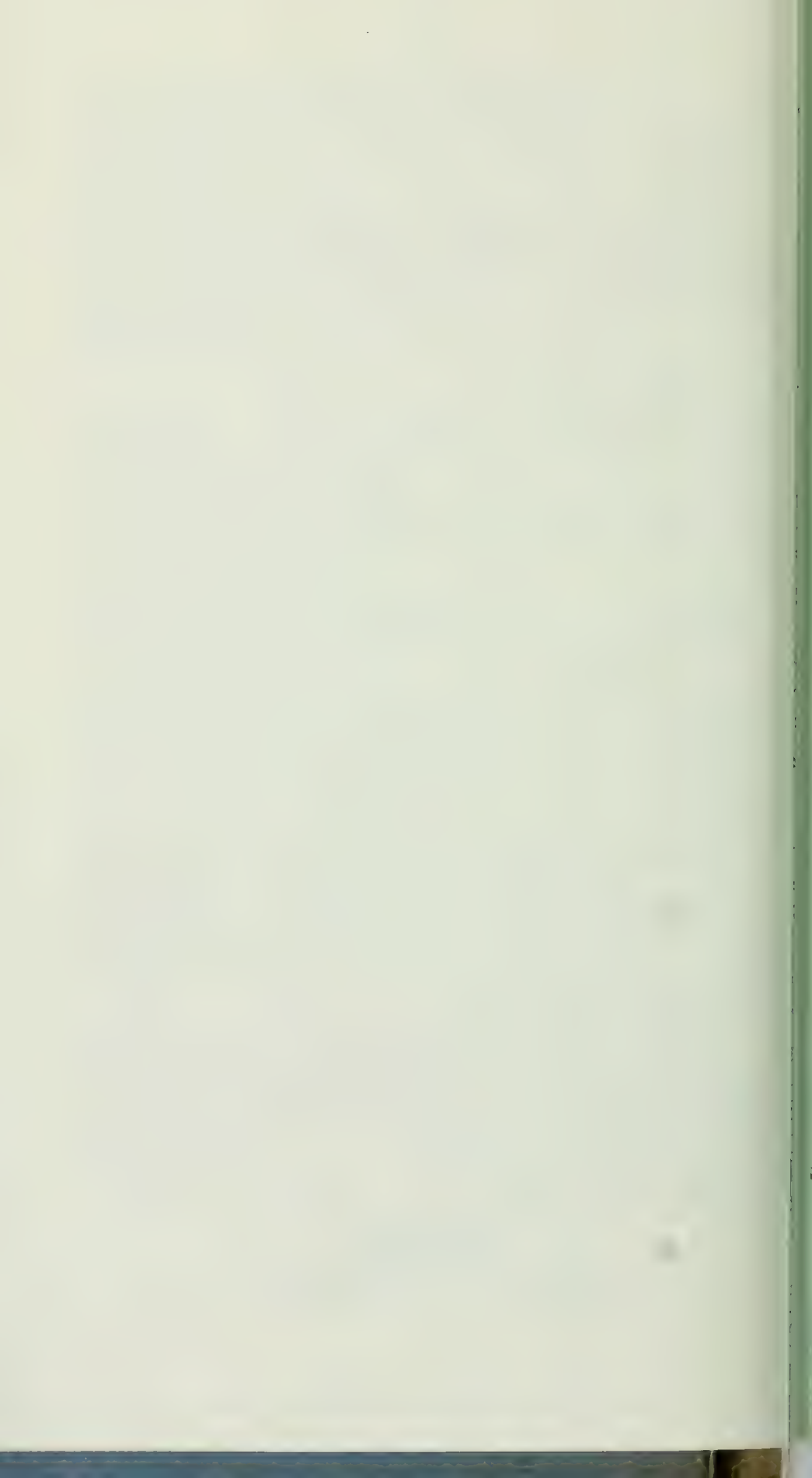
1. That defendant Sunbeam Lighting Co., Inc., its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, or otherwise, and each of them, shall be and hereby are permanently enjoined and restrained from competing unfairly with plaintiff, and specifically from palming off lighting panels not made or sold by plaintiff as those of plaintiff where plaintiff's lighting panels are ordered or specified by a K-number in conjunction with K-S-H or K-LITE, provided, however, that this injunction shall not restrain or enjoin said parties from furnishing lighting panels of manufacture by any other party on specifications or orders calling for K-numbered panels where K-S-H or K-LITE is not employed in said specification or order in conjunction with such K-number.

2. That plaintiff shall recover from defendant the sum of Fifty Dollars as nominal damages with interest thereon as provided by law and such costs of the action as may be taxed by the Court.

Dated: May 4, 1967.

Harry C. Westover

United States District Judge



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In the  
**United States Court of Appeals**  
FOR THE NINTH CIRCUIT

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**No. 22049 A**

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K-S-H PLASTICS, INC.,  
a Missouri corporation,

*Appellant,*

*vs.*

SUNBEAM LIGHTING COMPANY, INC.,  
a California corporation,

*Appellee.*

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**APPELLANT'S REPLY BRIEF**

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FILED

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The Scheffer Press, Inc.—ANdover 3-6850

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IN THE  
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*vs.*

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*Appellee.*

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**APPELLANT'S REPLY BRIEF**

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**DEFENDANT HAS IGNORED THE MOST  
SIGNIFICANT EVIDENCE AND DISTORTED  
OTHER EVIDENCE ON THE RECOGNITION  
SYMBOLS K-4, K-5, K-11 AND K-12**

Conspicuously lacking in defendant's brief is any discussion of one of the most important categories of evidence bearing on the significance and recognition of the trade symbols K-4, K-5, K-11 and K-12. This evidence comprises the testimony *from defendant's own witnesses* as to the function of these trade symbols. As pointed out in Appellant's Opening Brief, at pages 12 through 14, deposition statements of defendant's primary employees were taken prior to the commencement of this suit. These witnesses, including the president of defendant, unequiv-

ocally stated that they associated the trade symbols K-4, K-5, K-11 and K-12 with K-S-H Plastics Company. Despite lengthy effort at the trial of this action, defendant was never able to succeed in mitigating, explaining or justifying these damaging admissions. Now, on appeal, defendant has chosen a more palatable manner in handling these statements. Defendant simply disregards these admissions of trademark recognition although emanating from representatives of one of the largest lighting fixture manufacturers in the country. Defendant leaves this court without the slightest indication of why it had previously recognized the symbols K-4, K-5, K-11 and K-12 as trademarks, but now strenuously urges that these symbols are indicative only of pattern.\*

Instead, defendant relies primarily upon the testimony of other lighting fixture manufacturers. Defendant's desperation in this regard is evidenced by its statement (Appellee's Brief, page 41) that this testimony was "representative of a major portion of the lighting fixtures industry". Such statement is not only unsupported by the record but is palpably false. On the contrary, two of the largest lighting fixture manufacturers in this country, who therefore represent a more qualified sampling of the industry, are defendant herein and Day-Brite Lighting Company. We note that employees of each of these companies testified that the symbols K-4, K-5, K-11 and K-12 function primarily to indicate origin.

Of the eight lighting fixture manufacturers upon whose testimony defendant so heavily relies, six of these manufacturers are located in Los Angeles. Their testimony is

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\* Since 1962 Plaintiff has used the symbols K-88 and the symbol K-44 (in 1964) for lenses that have no pattern (P.X. 4, 10).

tainted with bias since they engaged in the unauthorized substitution of lighting panels, as did defendant, as explained more fully in Appellant's Opening Brief, at pages 27 and 28. One of these non-local fixture manufacturers, Haluk Lighting Co., represented by Mr. Seigel (Appellee's Brief, page 15), properly characterized the experiences of these small fixture manufacturers. This witness stated that at the "commercial level" *vis-a-vis* "the specification level" purchasers are less concerned with the source of lighting panels. The witness explained that orders at the commercial level are received using a request, such as "like" or "similar to" the product of a particular manufacturer. These commercial level situations are characteristic of small local fixture manufacturers dealing in small quantities of fixtures sold over the counter to remodeling contractors and the like. They do not involve specifications prepared by lighting engineers or architects. Since this case is concerned primarily with the specific requests presented in specifications, the testimony from persons who deal at the "commercial level" is understandably to be accorded little weight.

Defendant has also attempted to draw ambitious inferences from the failure of plaintiff to parade an unending testimony from actual purchasers (Appellee's Brief, pages 53-60). Expert testimony by qualified persons familiar with the specification system in the lighting products industry was relied upon by plaintiff as representative of this class of purchasers. Surely defendant does not suggest that a person who makes a single purchase would be more qualified than a person having years of experience in the industry. Defendant relied upon *its* two lighting engineers for their general knowledge and expertise, not because one of such specifiers was involved in one of the jobs for which plaintiff was able to obtain



documentary evidence. Plaintiff similarly relied upon *its* experts.

Defendant is aware that discovery proceedings in this action were terminated and further documentary evidence could not be obtained by plaintiff. Only after an unsuccessful Petition For Writ Of Prohibition to this Court, did the trial court offer plaintiff the opportunity to proceed with discovery four (4) days *after* the trial had commenced. It was during the trial, that plaintiff declined further discovery after the parties agreed that while other instances of substitutions existed, the issue of trademark significance of the trade symbols could be resolved by expert testimony rather than by the weight of numbers. Plaintiff still believes that this understanding was not only proper, but is also logical. This is the purpose and function of expert testimony.

Finally, defendant has attempted to apply the theory of “sophisticated purchasers” to this case with little consideration for the rationale of the rule. The doctrine is relevant to cases involving confusingly similar trademarks where the sophisticated purchasers are allegedly more discerning and thus able to distinguish between such trademarks and the products. In the present case, specifiers prepare a written specification which serves as an order that is passed through numerous hands to the seller and the product is eventually installed in a building. Only then, or when a problem occurs such as in the Lincoln Hospital job, is the specifier able to see what he “bought” and whether the intermediaries have faithfully executed his order. Because of defendant’s business practices, of purchasing and substituting lighting panels identical in appearance to those manufactured by plaintiff, without any marking of source thereon, the specifier is frustrated in ascertaining if he received the product he ordered.

Under these circumstances, a purchaser cannot rely upon sophistication, but must rather depend upon the execution of the order as he intended. In the present case, the sophisticated are as easily duped as the gullible.

### **THE CASES UPON WHICH APPELLEE RELIES ARE LARGELY IRRELEVANT**

At page 31 of Appellee's Brief, defendant admits that a trade symbol may serve a dual function as trademark and grade or pattern designation. At page 38 of Appellee's Brief, defendant admits that there is direct testimony that plaintiff's trade symbols are "associated with a product of the plaintiff", although defendant characterizes such association as incidental. Notwithstanding this apparent understanding of the applicable law as expounded in *Tillman & Bendell v. California Packing Corp.*, 63 F.2d 498 (9th Cir. 1933), plaintiff cites a number of inapposite cases. For example, plaintiff relies upon the case of *In re Union Oil Company of California*, 88 F.2d 492 (CCPA 1937) involving a refusal to register the numerals "76". Registration of this trade symbol was rejected in that case because *even at the time of adoption* the numerals were *descriptive* of a grade or quality of gasoline. Specifically, the numerals 76 were "within the range of the marks which appear to be ordinarily used to indicate octane". *Id.* at 495. By contrast, there is not one iota of evidence to show that any or all of the trade symbols K-4, K-5, K-11 and K-12 were descriptive of a pattern designation *at the time of adoption* by plaintiff. In fact, the lower court found that plaintiff is the only lighting panel manufacturer using these symbols. (Finding of Fact No. 9, Vol. I, R. 19)

Similarly, defendant discusses at pages 47 and 48 of Appellee's Brief, the case of *Kellogg Co. v. National Bis-*

*cuit Co.*, 305 U.S. 111, (1938) involving the alleged trademark “shredded wheat”. It will be immediately apparent, that at the time of adoption of an alleged mark such as “shredded wheat”, the term has descriptive significance. But it is equally apparent that a mark such as “K-4” which comprises an arbitrarily chosen number and a letter which corresponds to the first letter of plaintiff’s corporate name, has no inherent descriptive significance. Indeed, there was no evidence that the term had *ever* been used previously.

In the other cases cited in Appellee’s Brief, at pages 32-35 and pages 38-39, the courts found that the *sole* function of the trade symbols involved was to designate pattern or style. Since defendant concedes that there is testimony to the effect that there is trademark significance in plaintiff’s trade symbols, such cases are clearly irrelevant.

The issue in this case is whether the trade recognizes that the primary significance of the trade symbols K-4, K-5, K-11 and K-12 is to indicate source or origin rather than pattern. This case is before the Court for the reasons set forth at pages 19 through 21 of Appellant’s Opening Brief, namely, the trial court’s erroneous view of the law. We submit that the lower court decided this case on the grounds that alphanumeric symbols are innately incapable of becoming trademarks.

Defendant relies heavily upon the Findings of Fact and Conclusions Of Law prepared by it and signed without alteration or modification by the lower court. We do not doubt the right of the lower court to enter such Findings Of Fact and Conclusions Of Law. But we question the propriety of such action where the findings and conclusions prepared by one of the parties is inconsistent



with the basis of the decision as clearly manifested by the record. We submit that the lower court recognized that the primary significance of plaintiff's trade symbols was to indicate the source or origin of plaintiff's lighting panels, but erroneously decided that plaintiff had no protectible right. The record in toto simply does not support a finding that plaintiff's trade symbols were either descriptive or merely pattern designations.

Finally, in the event that this court believes that plaintiff's trade symbols while arbitrary at the time of adoption may have become pattern designations, we submit that defendant had the burden of proof that these symbols had become generic. Even assuming *arguendo* that plaintiff had the burden of proving "secondary meaning" it is pointed out that defendant's test (Appellee's Brief, page 50-51) is an incorrect statement of the law with respect to the burden of establishing this fact. Defendant states that "source motivation", *i.e.* that a purchaser is moved to buy an article because of the source, is a necessary element in establishing "secondary meaning" of an alphanumeric trade symbol. However, all of the cases cited for this proposition involve not a word or alphanumeric symbol but rather a *product* which had allegedly acquired a secondary meaning. *Bently v. Sunset House Distributing Corp.*, 359 F.2d 140 (9th Cir. 1966) (meatball mold); *Hygienic Specialties Co. v. H. G. Salzman, Inc.*, 302 F.2d 114 (2d Cir. 1962) (soap dish); *Blisscraft of Hollywood v. United Plastics, Co.*, 294 F.2d 694 (2d Cir. 1961) (polyethylene pitchers). Neither on the basis of precedent or logic can it be contended that the test for secondary meaning in *trademark* cases includes the extremely difficult burden of proving "source motivation".

## CONCLUSION

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For the foregoing reasons and for the reasons set forth in plaintiff's main brief, the relief prayed for in the Conclusion of plaintiff's main brief should be granted.

Respectfully submitted,

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In the  
**United States Court of Appeals**  
FOR THE NINTH CIRCUIT

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**No. 22049**

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K-S-H PLASTICS, INC.,  
a Missouri corporation,

*Appellant,*

*vs.*

CAROLITE, INC., a California corporation, and  
J. W. CARROLL & SONS, a California corporation,  
*Appellees.*

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**APPELLANT'S REPLY BRIEF**

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**FILED**

**JAN 30 1968**

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IN THE  
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*Appellees.*

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**APPELLANT'S REPLY BRIEF**

---

**DEFENDANTS MISCONSTRUE THE LAW WITH  
RESPECT TO UNFAIR COMPETITION INVOLVING  
AN OVERALL PLAN TO APPROPRIATE GOODWILL**

Plaintiff's complaint for unfair competition in this case is predicated primarily upon the use of confusingly similar trade symbols by defendants and other conduct which, in totality, clearly discloses defendants' appropriation of plaintiff's goodwill. Plaintiff has relied upon two cases. *Midwest Plastics Corp. v. Protective Closure Co.*, 285 F.2d 747 (10th Cir. 1961) and *American Safety Table Co. v. Schreiber*, 269 F.2d 255 (2d Cir. 1959), which involve similar factual situations and which demonstrate that the courts will consider defendants' conduct in its



entirety and not as individual acts. Defendants do not controvert plaintiff's contention that these cases properly expound the correct rule of law. Rather, defendants seek avoidance by arguing that the present case and these cases are factually dissimilar. However, even defendants' characterization of the primary facts of these cases (Appellee's Brief, pages 26 and 27) shows that the cases are appropriate precedent for plaintiff's relief.

In both of these cases, the court did *not* enjoin the defendant from manufacturing devices identical in appearance to those manufactured by plaintiff. Rather, the court enjoined certain marketing practices of each defendant so as to preclude confusion and deceptive similarity. Moreover, the courts obligated the defendants to identify their identically appearing products with source markings so as to preclude confusion. This dual relief is precisely what plaintiff herein requests.

By contrast, several of the cases relied upon by defendants, are perfectly distinguishable on the basis of the relief requested in such suits. For example, in *Wolfe & Vine, Inc. v. Pioneer Display Fixture Co.*, 142 U.S.P.Q. 112 (N.Y. Sup.Ct. 1963) involving the sale of female mannequins, the plaintiff sought to prevent the defendant from *manufacturing* or *selling* mannequins having an identical appearance. Of course, such relief is not obtainable. *Sears, Roebuck & Co. v. Stiffel Company*, 376 U.S. 225, 84 Sup. Ct. 784 (1964). Similarly, in *Day-Brite Lighting, Inc. v. Sandee Lighting Manufacturing Co.*, 286 F.2d 596 (7th Cir. 1960) plaintiff sought an injunction to prevent from *manufacturing* lighting panels which were identical to those sold by plaintiff. Since the mandate of the United States Supreme Court is clear that granting such prohibitive relief would violate the Supremacy Clause of the Federal Constitution, because of the conflict with the Federal Patent

Laws, such relief was correctly denied by the court in each of these cases.

The case of *Auto-Lite Co. v. P. & D. Mfg. Co.*, 78 F.2d 700 (2d Cir. 1935) is also distinguishable since the primary issue in that case was whether a manufacturer of replacement components has a right to advertise his product as adapted to “fit” the product manufactured by the plaintiff. Obviously, no such issue is presented in the present case.

In the case of *Mattel Inc. v. Goldberger Doll Mfg. Co.*, 200 F. Supp. 517 (E.D.N.Y. 1961), involving a preliminary injunction, the injunction was denied *after* defendant agreed to change one of its trademarks and to alter the appearance of the trade dress of its product. The case of *Fram Corporation v. Boyd*, 230 F.2d 931 (5th Cir. 1956) is similar. In that case, defendant used an entirely dissimilar trademark and agreed after the suit commenced to change the appearance on the cartons in which its product was sold. While it is true that the parties used similar alpha-numeric symbols, there is little discussion of this aspect of the case, since the court concluded that such symbols were used *only* “to designate size or capacity”.

Since filing its complaint, plaintiff has asserted that it seeks affirmative relief only with respect to defendants’ fraudulent marketing practices and has denied that it seeks to enjoin defendants from manufacturing or selling lighting panels identical in appearance to those of plaintiff. Defendants’ copying of plaintiff’s product appearance has been involved in this case only because: (1) it bears upon the question of likelihood of confusion, and thus upon the ultimate issue of unfair competition, since trademarks are more likely to cause confusion where the products on which they are used are indistinguishable in appearance; and (2) it is through the substantial identity

of appearance that defendants have enabled fixture manufacturers to palm off defendants' lighting panels as those of plaintiff. This issue, of course, involves plaintiff's second cause of action for aiding and abetting dealers in palming off defendants' products as those of plaintiff where plaintiff's product is requested.

The issue is important with respect to plaintiff's cause of action based upon unfair competition involving a predatory plan to appropriate plaintiff's goodwill by adopting similar trademarks, trade catalogs, and selling panels identical in appearance. This latter factor increases potential confusion and yet it is noted that the defendants conveniently ignored this factor in their brief. We submit that this conduct is an integral part of the marketing environment in which plaintiff and defendants compete and must be considered together with defendants' other conduct. The aggravation is particularly poignant in view of the fact that not one but four of plaintiff's lighting panels were copied by defendants.

As set forth in Appellant's Opening Brief, pages 17-18, the fact that copying has now become a constitutional right makes it incumbent upon one who exercises such right to adopt marketing practices which will minimize the confusion which may be caused by such conduct.

We submit that the cases of *Midwest Plastics Corp v. Protective Closure Co.*, *supra*, and *American Safety Table Co. v. Schreiber*, *supra*, correctly set forth the applicable law and clearly demand relief for plaintiff in the case at bar. These cases recognized the crucial distinction in equitable relief between enjoining copying *per se* and proscribing unfair marketing. This court, in another context, has also anticipated the *Sears and Roebuck* Rule by prohibiting unfair competition while allowing copying. *Ross-*



*Whitney Corp. v. Smith, Kline & French Lab.*, 207 F.2d 190 (9th Cir. 1953) plaintiff seeks to prevent confusion and preserve its goodwill. This may be done by a properly framed decree.

**DEFENDANTS' PROLIX RECITATION OF DETAILED  
FACTS DO NOT SUPPORT THE INFERENCES  
DRAWN AND ONLY INDICATE THE ERROR  
OF THE LOWER COURT**

Defendants have indulged at length in presenting a detailed and vapid account of the facts in this case. In some instances, defendants have drawn their desired inferences from unsupporting facts. In other instances, the desired inferences could be found only by distorting or ignoring the facts.

The latter treatment arose, for example, in defendants' attempt to deny that they advertised products which were not available for sale in order to stimulate plaintiff's business. Plaintiff has charged and proved that it introduced, at least as early as December 1964, lighting panels having a Tedlar coating to improve the discoloration quality. (R. 1172-73) Shortly thereafter, in February 1965, Carolite began to advertise that Tedlar coated panels were "immediately available". (Plf. Ex. 102) It was unequivocally established at the trial that Carolite had not received any *commercial quantities* of Tedlar film until May, 1965. (R. 461-62) During pre-trial discovery proceedings, Mr. Welten, president of Carolite stated that defendants had not advertised lighting panels having a Tedlar coating until July, 1965 and produced an advertisement in the July issue of a magazine. (Plf. Ex. 101)

In Appellee's Brief, pages 51 through 52, defendants do not controvert the established fact that they had no commercial quantities of Tedlar enabling them to provide

Tedlar-coated panels until May 1965. Instead, defendants have attempted to shift the focus upon this issue from false advertising to one of priority in commencing development work on the Tedlar-bonding technique. Of course, this is totally irrelevant, and plaintiff did not offer nor would the court accept evidence on this issue with respect to development work. Plaintiff has not suggested that defendants were never able to provide panels of this type nor that defendants did not have some Tedlar material in small quantities for development work at the time they first began advertising. What was contended and proved was that defendants advertised the “immediate availability” of Tedlar-coated panels at a time three to four months earlier than commercial quantities of Tedlar were received by defendants. It is common technical knowledge, applicable to the lighting panel industry, that processes which are successfully applied to the production of prototypes are adapted to mass production only with considerable difficulty. Thus, defendants’ development work is not probative on the issue of availability of Tedlar-coated panels at the time defendants began advertising and the sole support for defendants’ contention of availability is the uncorroborated statement of Carolite’s president. Defendants’ discussion of the development work conducted by defendants tends only to obscure the issue and does not support the inference drawn therefrom, i.e., that defendants were not indulging in false advertising as a part of an overall scheme to misappropriate plaintiff’s goodwill.

Defendants’ brief is pervaded with untenable inferences from the facts and numerous distortions. For example, defendants state (Appellee’s Brief, page 3) that there are “virtually hundreds of thousands of such alphanumeric catalog numbers employed by” various manufacturers. Such hyperbolic statements are unsupported by the record



ferences cited. And *if* such was the case, plaintiff can only inquire: Why did defendants choose out of these hundreds of thousands of alphanumeric symbols, four grade symbols which are almost identical to those previously used by plaintiff?

Defendants state (Appellee's Brief, page 8) that the catalog which is used by defendants has information with respect to its various panels "arranged in numerical order", namely, "C-4, C-55, C-11 and C-12". This is simply bad arithmetic. Plaintiff's catalog is arranged with the information sheets with respect to its various panels in numerical order and also in the chronological order in which these panels were introduced on the market. (Plf. Ex. 4; Finding of Fact No. 13, Vol. II, R. 41) Defendants' catalog, on the other hand, includes an order of information sheets on its various patterns which reflects neither chronological nor numerical order. (Plf. Ex. 73) Defendants' arrangement of their catalog, including the other similarities pointed out in Appellant's Opening Brief at pages 4-25, was for the obvious motive of creating a similarity of the catalogs which would aggravate confusion.

The Findings of Fact and Conclusions of Law in this case were prepared by defendants and entered by the court without a single alteration. In plaintiff's main brief at pages 20 and 21, in the co-pending case (Appeal No. 22049 A), it was pointed out that the record demonstrates that plaintiff was denied relief because of the trial courts' erroneous view of the law. The lower court predicated its decision on the incorrect theory that a party cannot, under any circumstances, acquire protectible rights in alphanumeric symbols. Defendants tacitly recognize this error and have attempted to innundate this court with superfluous facts to support their findings and conclusions hitherto unreviewed. However, most of such facts are

collateral and those chosen by defendants comprise only an extended apology, based upon specious inferences, for numerous acts of wrongful conduct. The primary facts demonstrating defendants' sedulous endeavors to confuse, deceive and intercept plaintiff's customers and potential purchasers are set forth in plaintiff's opening brief. There is no reason to lend dignity to defendants' ill-founded factual inferences by exposing their lack of reason *seriatim*. The above several examples of rebuttal are submitted as indicative of the lack of merit of defendants' contentions. And the clear intent of defendants' conduct is discussed and shown in plaintiff's main brief. Transcending defendants' captious and cavilling arguments and excuses stands the irrebutable ultimate fact of *fraudulent marketing practices*.

**THE LOWER COURT FAILED TO PROVIDE  
PLAINTIFF WITH THE COSTS OF THIS  
ACTION TO WHICH PLAINTIFF WAS ENTITLED**

Plaintiff succeeded in its cause of action against defendants in the lower court for aiding and abetting palming off where panels were ordered from fixture manufacturers by use of plaintiff's registered trademark "K-S-H" and an appropriate injunction was granted. (Vol. II, R. 48-49) During the trial of the action, the court indicated that if plaintiff was successful on at least a portion of its complaint, it would be entitled to costs in this action. (Vol. VIII, R. 667-668; Vol. X, R. 1186-1187) Plaintiff duly submitted a proper Bill of Costs which was objected to by defendants. The court, in clear contravention of its previous statement at trial, sustained defendants' objections and awarded plaintiff only nominal costs.

Regardless of the disposition of this case by the Court, we submit that plaintiff is entitled to its full costs in this action.

## C O N C L U S I O N

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For the foregoing reasons and for the reasons set forth in Appellant's Opening Brief, the relief prayed for in the conclusion of such brief should be granted.

Respectfully submitted,

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No. 22,050 ✓

IN THE

United States Court of Appeals  
For the Ninth Circuit

N. V. STOOMVAART MAATSCHAPPIJ

“NEDERLAND”,

*Appellant,*

VS.

STANDARD OIL COMPANY OF CALIFORNIA,

*Appellee.*

APPELLANT'S OPENING BRIEF

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FILED

NOV 21 1967

WM. B. LUCK, CLERK

NOV 21 1967





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IN THE

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N. V. STOOMVAART MAATSCHAPPIJ

“NEDERLAND”,

*Appellant,*

vs.

STANDARD OIL COMPANY OF CALIFORNIA,

*Appellee.*

**APPELLANT'S OPENING BRIEF**

---

**JURISDICTIONAL STATEMENT**

This is an appeal from an interlocutory judgment in admiralty of the United States District Court for the Northern District of California, the Honorable Albert C. Wollenberg, decreeing equal division between appellant and appellee of damages resulting from the August 29, 1965, collision off the Golden Gate between appellant's freighter “Rotti” and appellee's tanker “J. H. Tuttle.”

The District Court filed its memorandum opinion on February 28, 1967, and after submission of Findings, Conclusions and form of judgment proposed by the libellant-appellee, as requested in the court's memorandum opinion (C.T. 161) and modifications proposed by respondent-appellant (C.T. 168), the District Court on May 31,

1967, filed its Findings and Conclusions (C.T. 176) and the Interlocutory Decree (C.T. 182) from which respondent-appellant filed its notice of appeal on June 14, 1967 (C.T. 184), within the time limited by Title 28 U.S.C. §2107 for noticing appeals from interlocutory admiralty decrees.

The District Court had jurisdiction of the action as one of admiralty and maritime jurisdiction under Title 28 U.S.C. §1333; this court has jurisdiction pursuant to Title 28 U.S.C. §§41, 1291, 1294, and 2107.

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### STATEMENT OF THE CASE

This suit arose out of a collision which occurred in fog at approximately 6:57 p.m. (1857) P.D.T. August 29, 1965, in the San Francisco Entrance Channel between the inbound 492-foot freighter "Rotti" and the outbound 524-foot tanker "J. H. Tuttle."

This litigation was commenced by libelant on September 1, 1965, (C.T. 1) and, up to the time of trial, carried forward by libelant on the factual theory set forth in its pre-trial statement (C.T. 59, 60, 61) that libelant's radar-equipped tanker "J. H. Tuttle" entered the Entrance Channel at its northerly edge just westerly of buoy No. 7 [the arrangement of the Entrance Channel buoys appears in Appendix III, a photocopy of the relevant portion of U.S. Coast and Geodetic Survey Chart 5532, Libelant's trial exhibit 1 (R.T. 6)] and held to the northerly edge, proper for a westbound vessel, on the proper outbound course of 250° T., until the "Rotti" (having inferentially crossed to the north or wrong side

of the channel for an eastbound vessel), appeared out of the fog off the "Tuttle's" port bow, coming into collision just easterly of buoy No. 6. Libellant abandoned these factual contentions at the commencement of trial, conceded fault on the part of the "J. H. Tuttle" (R.T. 5), and admitted that the "J. H. Tuttle" had navigated in the manner described by the "Rotti" witnesses (R.T. 6) and, incidentally, in the manner confirmed by the testimony of the two independent witnesses, Navy flyer Scott B. Wilkes (R.T. 130) who was overhead at the time, and tug captain W. D. McClean who observed the events leading to the collision on the radar of his tug which was near buoy No. 8 at the time of the collision.

The collision occurred on the south, or "Rotti's," side of the channel between buoys 4 and 6 but closer to buoy No. 4. Prior to entering the Entrance Channel the "Rotti" had reduced from her full sea speed of 80 rpm or about  $16\frac{1}{2}$  knots (R.T. 33) to her "full" maneuvering speed of 60 rpm or approximately 12 knots (R.T. 34, C.T. 178) and, commenced fog signals having sighted fog ahead between buoys 2 and 4, (R.T. 172).

There was an ebb tide of  $3\frac{1}{2}$  knots (C.T. 178), which reduced the "Rotti's" speed over the ground to approximately  $8\frac{1}{2}$  knots, and the "Rotti" entered the channel close on her proper, south side and on the proper channel entrance heading of  $70^{\circ}$  T. at 6:47 P.D.T. (1847 hours) (C.T. 178). Her engine speeds from 1852 until the collision at 1857 were stop and full astern except for one minute on half ahead and a short period (recorded as  $\frac{1}{2}$  minute in Lib. Exh. 6) on full ahead [when the "Rotti's" radar observations confirmed that the "Tuttle" had

completed her transit across the channel from north to south and was outside the channel south of buoy 6] (R.T. 196, 197 through 198 line 21). At 1854 the "Tuttle" hesitated in her southerly progress away from the "Rotti," so the "Rotti" went full astern (R.T. 201); but, as the "Tuttle" appeared to be staying outside of the channel (R.T. 201) going westerly and parallel to the channel (R.T. 28, 29), the "Rotti" put her engines on stop as a further cautionary move. A moment later at 1856 when the "Tuttle" was seen to commence a right turn back into the channel, the "Rotti's" engines were put on emergency full speed astern. The "Rotti" sighted the "Tuttle" coming out of the fog in a hard starboard turn shortly before the "Rotti's" bow made contact with the port bow of the "Tuttle" at 1857.

Appellant-respondent proceeded with the trial in the District Court following the concession of fault on the part of the "J. H. Tuttle" in furtherance of its position that the grave fault of the "J. H. Tuttle" fully accounted for the collision, and, as the "Rotti" had navigated competently and cautiously, that additionally, under the American rule, sometimes ineptly called "major-minor," fault would not be ascribed to actions of the "Rotti" navigators which represented reasonable judgment at the time, even though other mariners with hindsight might have done differently.

Appellant-respondent further contended the fault of the "J. H. Tuttle" was so overwhelmingly great as to require any technical fault or debatable error of judgment on the part of the navigators of the "Rotti" to be excused under the equitable application of the "major-minor fault" rule.



Alternatively, appellant-respondent contended that damages be decreed divided in proportion to the relative degrees of fault (C.T. 144, 174) in accordance with the rule prevailing in other maritime nations, recognizing that recently there have been substantial authoritative suggestions that American law permits collision damages to be divided in proportion to fault.

Libelant-appellee proceeded with the trial contending that the gravity of the "Tuttle's" fault was irrelevant and that any fault that could be found against the "Rotti," *however slight*, required the Court to divide damages equally (C.T. 36, 160). The District Court, agreeing with libelant, found the "Rotti" guilty of contributing fault and decreed equal division of damages. In so doing, it appears that the District Court:

- (1) accepted the contention of libelant that it is fault as a matter of law for a vessel to enter fog at "full" maneuvering speed, despite an alert radar watch with plotting (R.T. 381, line 16);
- (2) accepted the contention advanced by libelant-appellee that as a matter of law the "major-minor fault" rule does not apply to a claimed violation of Rule 16(a) (R.T. 402, lines 12-17);
- (3) judged the actions of the "Rotti" against the requirements of Title 33 U.S.C. §1077(c) (C.T. 180), although this statute was not in effect at the time of the collision;
- (4) was of the opinion that American law affirmatively requires damages to be divided equally in all "mutual" fault collision cases (C.T. 160); and,



- (5) in view of the several references to the “kicking” ahead of the “Rotti’s” engines, accepted the urging of libelant’s counsel that *Afran Transport Company v. The Bergechief* (S.D.N.Y. 1959) 170 F. Supp. 893 related to Rule 16(a) rather than to Rule 16(b) (C.T. 160, C.T. 180).

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### SPECIFICATION OF ERRORS

The District Court erred:

1. In finding, concluding and decreeing that appellant’s vessel “Rotti” was guilty of negligence which contributed to the collision and liable for one-half of the damages resulting therefrom;
2. In failing to find and conclude that the collision was caused by the major and gross navigational faults of the “J. H. Tuttle” and that the faults, if any, of the “Rotti” were under the “major-minor fault” rule embodied in American law, minor and noncontributory;
3. In failing to decree (with corresponding findings and conclusions) that damages be divided in proportion to the relative fault of each vessel;
4. In finding and concluding (Conclusion No. 2, C.T. 180) that the “Rotti’s” 12 knot speed on entering fog was immoderate and in violation of Rule 16(a);
5. In finding and concluding (Memorandum Opinion, C.T. 160, incorporated by reference in Findings, C.T. 180, and in Conclusions, C.T. 181) that the law required the “Rotti” to stop, and remain stopped, from her first radar sighting of the “Tuttle”;

6. In finding and concluding (Conclusion No. 3, C.T. 180) that a collision would not have happened if the "Rotti" had remained at stop after 1852;

7. In finding and concluding (Conclusion No. 4, C.T. 180) that the "Rotti's" "kick" of her engines to full ahead less than five minutes before the collision was imprudent and a fault without which the collision would not have happened;

8. In concluding (Conclusion No. 5, C.T. 180) that 33 U.S.C. §1077(c)—which was not effective until September 1, 1965, after the collision—was applicable to the "Rotti" as a standard of care;

9. In finding (Finding No. 10, C.T. 179, and Memorandum Opinion, C.T. 159, as incorporated by Finding No. 11, C.T. 180) that the "Rotti" had forward headway through the water at the time of collision;

10. Failing to find that the unexplained and unexcused failure of the libelant-appellee to produce any of the "J. H. Tuttle's" witnesses raised a presumption in favor of the validity of the testimony of the witnesses aboard the "Rotti", as against the testimony of the expert witness produced by libelant-appellee, on the question of whether the "Rotti" was stopped dead in the water at the time of collision (C.T. 179, Finding 10);

11. In finding (Finding No. 9, C.T. 179) that the "Rotti" brought her engines to half ahead and then to full ahead at a time when her radar observation indicated that the "Tuttle" was proceeding "westerly on the south side of the channel." [The evidence is that the "Rotti" went half ahead when the "Tuttle" had moved

to the south side of the channel and was continuing to head south out of the channel (R.T. 196, 197) and gave full ahead when the "Tuttle" had reached a point to the south outside of the channel and appeared to be moving south (R.T. 198)]; and

12. In finding (Finding No. 9, C.T. 179) that "at 1854½ hours when her speed was still nearly 12 knots, the "Rotti" put her engines at stop and then to full astern because her radar observations now showed the "Tuttle" to be turning back into the channel" [the evidence being that the full astern at 1854½ hours was ordered when the "Tuttle" was seen simply to have stopped her progress to the south, there at this time being no indication that the "Tuttle" was turning back into the channel (R.T. 199, 200, 201)].

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### STATUTES AND RULES INVOLVED

The pertinent statutes are Rule 16(a) and (b) and 25(a) of the International Rules for Prevention of Collisions at Sea, Title 33 U.S.C. §145n and 146i. These statutes are set forth in full in Appendix II, together with the statutes referred to by the District Court which did not become effective until September 1, 1965, after the collision, Title 33 U.S.C. §1077, 1094.

### SUMMARY OF ARGUMENT

The "J. H. Tuttle" was clearly and admittedly guilty of extraordinarily negligent navigation.

The finding and conclusion of the District Court that the carefully and skillfully navigated "Rotti" was guilty of substantial contributing fault which required it to order the "Rotti" to bear a full one-half of the total collision damages was the result of misapprehension that the law, in several of its aspects, required it to take the action it did.

The critical findings and conclusions were dictated by the District Court's belief, which we submit was erroneous in each instance, that, as a matter of law:

- (1) the "Rotti" was guilty of an immoderate speed in violation of Rule 16(a) in entering fog at a "full" maneuvering speed of 12 knots (8½ knots over the ground) such that she could not be brought to a stop within one-half the range of visibility, even though she was equipped with an efficient alertly manned radar;
- (2) that Rule 16(c), although not then in force, imposed a standard of care which required the "Rotti" to stop engines and remain outside on first observing the "Tuttle" on radar;
- (3) that the "kick" ahead of the "Rotti's" engines at 1852½, although no fog signal had been heard from the "Tuttle", was a violation of Rule 16(a), even though *Afran Transport Company v. The Bergechief* (S.D.N.Y. 1959) 170 F. Supp. 893, cited in the Memorandum Opinion, deals with a situation under Rule 16(b); and



- (4) that the “Rotti”, despite the grossly faulty navigation of the “Tuttle”, was not entitled to the benefit of the so-called “major-minor fault” rule announced in the *Great Republic* (1875) 90 U.S. 20 and subsequent cases in gauging whether her speed was moderate for the purposes of Rule 16(a).

The District Court, having accepted the urgings of “Tuttle” counsel that the law did not permit it to give the “Rotti” the benefit of the “major-minor fault” rule, the Court then felt the law required it to divide the total collision damages equally, disregarding the staggeringly great fault on the part of the “Tuttle”. The Court reached this conclusion in spite of the fact that all maritime jurisdictions which do not have a leavening “major-minor fault” rule accomplish an equivalent result by dividing damages in proportion to fault. As discussed in *McKeel v. Schroeder* (N.D. Cal. 1963) 215 F. Supp. 756, which decreed a proportional division of damages, there has been no direct holding of the United States Supreme Court which precludes a division of damages in proportion to fault.

A number of the foregoing questions of law, including some of those relating to radar, have not previously received the direct attention of any American appellate court. These basic legal questions relate to undisputed facts, and if determined in the “Rotti’s” favor will be determinative of the appeal.

Appellant has cited as error a few factual points dealing with the navigational maneuvers of the “Rotti” with



respect to the "Tuttle" as to each of which the error of the trial court is clear. For example, when the "Rotti" "kicked" her engines full ahead at 1853½, her radar observation indicated that the "Tuttle" had then completed her crossing of the channel and was continuing to head south (R.T. 198), *not* that the "Tuttle" was then proceeding westerly on the south side of the channel, as indicated in Finding No. 9 (C.T. 179).

None of the factual decisions which appellant has cited as erroneous were of critical importance in the view the District Court took of the governing law, but a correct account of the "Rotti's" performance, as illustrated in Appendix IV, demonstrates the quite exceptional caution with which the "Rotti" was navigated. For example, although it is of virtually no legal significance whether the "Rotti" was fully stopped in the water at the time of collision, the factual context in which the case is presented is somewhat distorted by what we submit to be the error of the District Court in finding that the "Rotti" had forward headway (C.T. 179) based on the equivocal testimony of an expert produced by the "Tuttle", especially in view of the fact that none of the eyewitnesses on board the "Tuttle" were produced, as against the clear and candid testimony of the "Rotti's" navigators (R.T. 212, 344, 345).

## ARGUMENT

### I. MODERATE SPEED IN FOG

**A. The so-called "half-sight" rule is not applicable to a vessel which is efficiently using radar.**

Rule 16(a), by its terms requires vessels navigating in fog to "go at a moderate speed, having careful regard to the existing circumstances and conditions."

This Court, in the *Beaver* (9 Cir. 1918) 253 Fed. 312, 314, 315 correctly held that the "moderate speed" required by the rule does not necessarily mean a reduced speed; the "Beaver's" full sea cruising speed was 8 $\frac{1}{4}$  knots.

Other decisions of this Court, dealing with vessels which were not equipped with radar, have indicated that for purposes of the moderate speed requirement, vessels should not proceed in fog at a speed at which they cannot be stopped dead in the water in one-half the range of visibility. See, *The Silver Palm* (9 Cir. 1937) 94 F.2d 754, 757, and argument as presented to the District Court in the briefing on behalf of the "Tuttle" (C.T. 93, 94). A number of cases in the Second Circuit have defined moderate speed as a speed at which the vessel can be stopped within its full range of visibility. These "rules" whether "half-sight" or "full-sight" visibility, were aptly placed in their proper perspective by Judge Medina, in the case of *Polarusoil/Sandefjord* (2 Cir. 1956), 236 F.2d 270, *cert. den.* 352 U.S. 982, stating:

"But these are not rules of thumb to be applied willy-nilly. They are but glosses upon the basic rule requiring operation at a moderate speed, and, like it, they must be applied according to the particular circumstances of each case."

It should be abundantly clear that the information obtained and obtainable from an efficient and alertly manned radar, as was the "Rotti's", is an "existing circumstance" which is to be given consideration in determining whether or not a given speed is "moderate" under Rule 16(a). The second sentence of paragraph (2) of the "Radar Annex to the Rules" (33 U.S.C. §1094, see Appx. II) expressly provides that information obtained from the use of radar is one of the circumstances to be taken into account when determining moderate speed. [Although the "Radar Annex" was not embodied in statute until after the collision in question, it, unlike Rule 16(c), was promulgated for immediate use by the experts who constituted the Safety of Life at Sea Convention because the Annex embodied practical recommendations to be followed by mariners in using radar (C.T. 175)].

Although there are, of course, some unusual circumstances in which information of hazards made known by radar will dictate an even lower "moderate" speed than would be the case in the absence of such information, it is patent, however, that radar is an assistance to navigation and as such is a circumstance which normally permits a vessel to proceed in fog at a speed higher than would be deemed moderate without radar information.

To some extent, it appears that the "Rotti" is the victim of a verbalism. The 12 knot speed under consideration was denominated "full" speed, although in fact it represented a reduction of  $4\frac{1}{2}$  knots from the regular sea speed of  $16\frac{1}{2}$  knots (R.T. 33) and amounted to only  $8\frac{1}{2}$  knots over the ground after subtracting the effect of the  $3\frac{1}{2}$  knot ebb tide (C.T. 118).

[In this day, with airplanes navigating at 600 knots, landing at 120 knots through clouds and other conditions of reduced visibility, using essentially the same radar aids employed by the "Rotti", it is clear that the "Rotti's" modest 12 knots, reduced by stop engines and full astern, cannot be deemed immoderate *per se*. Marine navigation, in the circumstances of this case, just as safe air navigation, depends on keeping to assigned channels, and it was the "Tuttle's" gross violation of the narrow channel rule (Rule 25) which was the sole cause of this collision. *Victory/Plymothian* (1897) 168 U.S. 410.]

The libelant-appellee urged, and it is evident that the District Court accepted the view which we submit is clearly incorrect and in direct conflict with this Court's ruling in the *Beaver* (9 Cir. 1918) 253 Fed. 312 that efficient use of radar is not a circumstance which may be considered to modify the "half-sight" rule.

**B. The "Rotti" is entitled to the benefit of the "major-minor fault" rule in gauging whether her speed was moderate.**

The libelant-appellee urged the proposition, which was accepted by the District Court (R.T. 402, lines 12-17), that the so-called "major-minor fault" rule is not to be applied to the benefit of a vessel such as the "Rotti" in determining whether her speed is moderate under Rule 16(a).

It is fundamental and long established that the determination of "moderate" speed depends upon the circumstances and that considerable weight is to be given the judgment of the vessel's navigators. As was stated in *Lie v. San Francisco and Portland SS Co.* (1917) 243 U.S. 291, 296:



“The most cursory reader of this rule [Rule 16] must see that while the first paragraph of it gives to the navigator discretion as to what shall be ‘moderate speed’ in a fog, the command of the second paragraph is imperative that he shall stop his engines when the conditions described confront him. The difficulty of locating the direction or source from which sounds proceed in a fog, renders it not necessary to dwell upon the purpose and obvious wisdom of this second paragraph of the rule.”

Contrary to the contention of libelant-appellee, the classic pronouncements of the “major-minor fault” rule do indeed appear in cases in which the fault claimed against the exonerated vessel was immoderate speed under conditions of reduced visibility:

*The Umbria* (1897), 166 U.S. 404, 409, 421:

“Indeed, so gross was the fault of the *Umbria* in this connection that we should unhesitatingly apply the rule laid down in *Alexandre v. Machan*, 147 U.S. 72, 75, and *The Ludvig Holberg*, 157 U.S. 60, 71, that any doubts regarding the management of the other vessel, or the contribution of her faults, if any, to the collision, should be resolved in her favor. . . . The court is therefore unanimously of opinion that the damages should not have been divided. The majority think that the *Iberia* was not in fault, while other members of the court rest their conclusion upon the view that, even if she were in fault, such fault did not contribute to the collision.”

[The fault claimed against the *Iberia* was that of using a right rudder, and continuing at four knots, on first hearing (in an unascertained position) the fog signal of the *Umbria* in a dense fog; and then putting her engines Full Speed Ahead on sighting the



Umbria through the fog—in claimed violation of the injunction in the then Article 18 that “Every steamship, when approaching another ship so as to involve risk of collision, shall slacken her speed, or stop and reverse, if necessary.”]

*The Ludvig Holberg* (1895), 157 U.S. 60, 67:

“She was clearly not bound to stop solely on account of the fog; and if she had been running dead slow for four or five minutes before the collision, she cannot be held in fault for what her previous speed may have been. If she ran twenty miles an hour down to the Narrows, and was running dead slow at the time she first heard the tug’s whistle, fault could not be imputed to her for her previous speed . . . . As we said in *Alexandre v. Machan*, 147 U.S. 72, 85, ‘Where fault on the part of one vessel is established by uncontradicted testimony, and such fault is, of itself, sufficient to account for the disaster, it is not enough for such vessel to raise a doubt with regard to the management of the other vessel.’”

[The statutory faults claimed against the *Ludvig Holberg* were “that considering the state of the weather, the steamer was not proceeding at the moderate rate of speed required by law in foggy weather, and did not take prompt measures by stopping and reversing to avoid a collision.”]

As appears in the foregoing classic statements of the American Rule, in a case such as the present where the “Tuttle’s” flagrantly reckless navigation so fully explains the collision, and may well have placed it beyond any power of the “Rotti” to avoid, it was error to fail to resolve in the radar-equipped “Rotti’s” favor whatever

minor doubt there may have been concerning the moderateness of her quite normal speed on entering the fog.

**C. The "kick" ahead of "Rotti's" engines at 1852½ hours violated no rule, the "Tuttle" having sounded no whistle.**

The libelant-appellee urged the Court that the kick ahead of the "Rotti's" engines, after she had been on stop, was a fault as bearing on whether her speed was moderate and relied on the holding in *Afran Transport Company v. The Bergechief* (S.D.N.Y. 1959) 170 F. Supp. 393 (C.T. 100). This urging was accepted by the District Court in its Memorandum Opinion (C.T. 160), and carried forward into the District Court's conclusions of fault (C.T. 180), despite respondent-appellant's advices as to the true nature of the holding in the *Afran Transport* case (C.T. 172).

In the *Afran Transport* case, "The Bergechief," proceeding in fog and approaching a light vessel, stopped her engines, heard the fog signal of the vessel with which she subsequently collided whose position had not been ascertained and then kicked her engines ahead. The kicking ahead of her engines the Court necessarily found to be a fault as it was an admitted violation of the direct injunction of Rule 16(b) that engines be stopped on hearing forward of the beam the fog signal of a vessel whose position has not been ascertained. The distinction between the imperative mandate of Rule 16(b), violated by "The Bergechief," which removes all discretion from the navigator and the Rule 16(a) requirement of moderate speed, left in large measure to the judgment of the navigator, has its definitive statement in *Lie v. San Francisco and Port-*

*land SS Co.* (1917), 243 U.S. 291, 296, quoted above at page 15.

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**II. THERE IS NO NAVIGATIONAL OR STATUTORY BASIS FOR THE DISTRICT COURT'S CONCLUSION THAT THE "ROTTI" SHOULD HAVE REMAINED STOPPED FROM HER RADAR OBSERVATION OF THE "TUTTLE" AT 1852 ON TO THE COLLISION TIME OF 1857.**

**A. The navigational circumstances.**

Appendix IV accurately details the navigation of the "Rotti" with relation to the "Tuttle," giving appropriate references to the record. The description of the "Rotti's" navigation, as given in the District Court's Finding No. 9 (C.T. 179) is a bit garbled, but there is no dispute or confusion concerning the fact that the "Rotti" stopped her engines at 1852 when her radar disclosed that the "Tuttle" had proceeded southerly beyond mid-channel (R.T. 194), the "Rotti" having previously expected that the "Tuttle" might turn westerly in the north half of the channel as would be usual for an outbound vessel.

The "Rotti's" engines remained stopped from 1852 until they were put half ahead, at 1852½, or at 1853. (Libelant's Exh. No. 2 or libelant's Exh. No. 6). At the time the engines of the "Rotti" were put on half-ahead and full-ahead, the "Tuttle" had proceeded across the channel and was heading south. The testimony of Pilot Sever on the subject appears in the Reporter's Transcript, at page 196, line 14 through page 197, at line 11, as follows:

Q. Why did you give half ahead?

A. Because the target had now moved from the middle of the channel to where it was now on my starboard bow.

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Q. That was on your starboard bow. How far on your starboard bow?

A. I think she was about a mile and a tenth ahead of me and a couple of degrees on the starboard bow moving away.

Q. Moving away?

A. Meaning the angle was getting larger.

Q. Meaning the angle off your starboard bow was getting larger?

A. That's right. So that she was approximately—

Q. When you gave the half ahead, and you represented on the chart here that she's just at the southern boundary, she was what, one or two degrees off your bow?

A. She's about five degrees off the bow then.

And Captain Sever's testimony on the circumstances of the full-ahead ordered at 1853½-1854 appears on page 97, line 24 through page 198, line 21 of the Reporter's transcript, as follows:

Q. What was your next engine command?

A. Then I went full ahead.

Q. Where was the TUTTLE?

A. He was outside the channel.

Q. Okay, make a circle.

A. (Witness complying.)

Q. And would you label that K.

A. (Witness complying.)

Q. And what was the bearing of the TUTTLE from the ROTTI at that point?

A. About 85.

Q. That's—

A. About 15 degrees on the starboard bow.

Q. 15 degrees on the starboard bow. And you were—can you put where you were—excuse me—



A. Just gave it to you there, approximately right here (indicating on chart).

Q. You'd still be in about the same position—

A. Just about the same position here.

Q. All right. Why did you ring full ahead?

A. I figured he was in the clear, that he was going south, that he was on the outside of the channel. He crossed over, he's going south, he's going to be clear.

There is no contrary or conflicting testimony and the "Rotti" witnesses' description of the maneuvers of the "Tuttle" was admitted by "Tuttle" counsel (R.T. 6).

The District Court in its Conclusions 3, 4 and 5 (R.T. 180) indicated its legal conclusion that Rule 16(c), 33 U.S.C. 1077(c), although not effective as a statute, imposed a mandatory duty on the "Rotti" to remain with her engines stopped, even though no fog signal had been heard from the "Tuttle" and even though the "Tuttle" had completed her crossing of the channel and was proceeding south outside of the channel.

Although we agree, and have urged, that the Radar Annex, (33 U.S.C. §1094), embodying the recommendations of experts in the subject, is a proper reference for a standard of care, we submit that Rule 16(c) which is designed to form part of a cohesive system of arbitrary rules of the road to be followed by all vessels, may not be so applied prior to its effective date as a statute.

The fact that Rule 16(c) was not properly applicable to the "Rotti" as statute or otherwise is not, we submit, inconsistent with appellant's view that the navigation of the "Rotti" was proper under Rule 16(c), if that rule is properly construed and applied. Specifically, the "Tut-



le's" completion of her north-south transit of the "east-west" channel and then proceeding southerly after she was outside of the channel, within the meaning and wording of Rule 16(c), terminated that "danger of collision" which existed when the "Tuttle" was crossing ahead of the "Rotti," and with reference to which the "Rotti" had stopped her engines.

**3. The law as stated in the leading case most nearly in point.**

*United States v. Shaw, Savill & Albion Co.* (The SS George N. Seger/SS Waipawa (2 Cir. 1949) 178 F.2d 849) is the only reported case we have been able to find which describes the navigation of any vessel approaching the adept seamanship demonstrated by the maneuvers of the "Tuttle" in this case.

The "Seger" at night and showing only her red light to the "Waipawa," crossed ahead from the "Waipawa's" right to left and the "Seger" then made successive turns to her own left which brought her into collision with the "Waipawa." It will be noted that the "Seger's" maneuvers are almost identical to those of the "Tuttle", except that the "Tuttle" crossed the "Rotti's" bow from left to right and the "Tuttle" then used a right turn to bring her into collision with the "Rotti." The similarity of the facts and issues in the two cases renders peculiarly appropriate the following excerpts from Judge Learned Hand's opinion exonerating the "Waipawa":

at 851:

"The Seger has the burden of proving the Waipawa's fault, and, since she was herself grossly at fault, that burden is more than ordinarily heavy." [Citing *The Victory*, 168 U.S. 410.];

at 851-52:

“The question is not whether anything prevented her from giving The Seger a wider berth, but whether anything called upon her to assume that a wider berth was necessary. We are to consider the situation as it appeared from The Waipawa’s bridge. She saw a vessel cross her bows when the two ships were at least a mile apart. The vessel was on a course, which, had she kept it as was her duty, would have put nearly two lengths of The Waipawa between them when they passed. The Waipawa had therefore certainly fulfilled her duty to ‘keep out of the way’ as things stood.”;

at 852:

“It would be wholly unfair to assume that she should have anticipated so mad an antic on The Seger’s part.”;

“On the other hand, as we have already said, The Seger had an unusually heavy burden of proof, and she did not call any witnesses to show that the bank of city lights will not have the effect which The Waipawa’s witness said that they did.”

It is patent that the District Court’s conclusion that the “Rotti” should have remained with her engines stopped from 1952 until after the “Tuttle” had “passed her safely” does not represent a legal standard properly applicable to the “Rotti”; any such standard or rule legally applicable to the “Rotti” must be equally applicable to the “Tuttle” and to all other vessels, and it is obvious that vessels could never pass if all vessels had imposed upon them the duty on non-movement which the District Court imposed on the “Rotti.”

We submit that the "Tuttle's" hard starboard turn, like the "Seeger's" left turn, was "so mad an antic" as to be unpredictable and renders without support of any kind the District Court's stated conclusions that the collision would not have happened if the "Rotti" had left her engines on "stop"; there is no evidence whatever of what the "Tuttle" would have done if the "Rotti" had remained stopped.

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**II. IF THE "ROTTI" IS GUILTY OF FAULT OF WHICH SHE IS NOT RELIEVED BY THE AMERICAN "MAJOR-MINOR FAULT" RULE, DAMAGES SHOULD BE DIVIDED IN PROPORTION TO THE DEGREE OF FAULT OF EACH VESSEL.**

The "Rotti", as appears from a review of the record, as summarized in Appendix IV, was navigated with unusual care and competence, and there is no aspect of her manning, management or navigation which requires apology. The most that the "Tuttle" was able to say against the "Rotti" related to the two areas, peculiarly within the discretion of the navigators, in which through the exercise of hindsight it was claimed that the "Rotti" navigators should have exercised their judgment in a different manner; namely with respect to the "Rotti's" speed on entering the fog and the "Rotti's" determination that the "Tuttle", having completed passing ahead, was clear. For the reasons discussed in the opening section of this brief, the first claim is without foundation and the second claim, under the standards discussed by Judge Learned Hand in *United States v. Shaw, Savill & Albion Co.* (2 Cir. 1949) 178 F. 2d 849 is nothing more than a complaint that the "Rotti" navigators lacked foresight.

Such factors do not constitute contributing fault.

It is submitted, however, that even if the aspects in which the "Rotti" navigators exercised their judgment in a manner different from that which the "Tuttle" claims they should have exercised it, such variances were so minor and the prospect that they in fact contributed to the collision are so conjectural and the occurrence of the collision is so fully explained by the "Tuttle's" own final "mad antic" maneuver, that any such "fault" of the "Rotti" should properly be overlooked and full damages assessed against the "Tuttle" under the American Rule, sometimes called the "major-minor fault" rule.

Although the American Rule takes several forms in its application, the effect of the rule is to avoid the injustice which would result from requiring a vessel, such as the "Rotti", to bear a full one-half share of collision damages where it is doubtful that she committed any fault and, at worst, the contribution of any such fault was entirely venial.

The nature and the effect of the rule is stated in GRIFFIN ON COLLISION, at page 505, as follows:

"Sec. 224. *Major and Minor Faults.* It sometimes happens that a collision was due to the gross and inexcusable fault of one vessel, whereas the other's fault was doubtful and, at all events, slight. Under such circumstances, it may be unjust to divide the damages equally, as the American law requires in cases where both are to blame. Of course, when the other vessel actually was guilty of substantial contributing fault, both vessels must be held; but, when the fault of one was flagrant and was the real cause of the collision, the courts are inclined to hold either



(1) that they will not inquire too closely into the conduct of the other and that any doubts will be resolved in her favor; or (2) that her fault was not contributory; or (3) that a slight fault will be wholly disregarded. The rule excusing error *in extremis* may be regarded as one manifestation of this principle."

The District Court in the present case erroneously accepted the view urged upon it by libellant-appellee that the "major-minor fault" rule could not apply to the benefit of the "Rotti" by reason of the nature of the faults which the "Tuttle" asserted against the "Rotti" (R.T. 102).

If, contrary to appellant's contentions, this Court should find that there is legal support for the District Court's conclusions that the "Rotti" was guilty of contributing fault and was not entitled to the benefit of the "major-minor fault" rule, it is submitted that the District Court erred in failing to require the "Tuttle" to bear a share of the total collision damages more nearly commensurate with the "Tuttle's" flagrant conduct.

Although it has frequently been said that the American Rule requires collision damages to be divided equally where mutual fault has been found, a close analysis of the decisions of the United States Supreme Court on the subject discloses that there has been no direct adjudication by the Supreme Court which requires collision damages to be divided equally and that the state of American case law is entirely receptive to the division of collision damages in proportion to fault, as is the rule in all other maritime nations of the world. We cannot do better on this subject than to respectfully refer this Court to the



very able and detailed analysis of the state of American law on the subject as given in Staring, *Contribution and Division of Damages in Admiralty and Maritime Cases* (1957) 45 Cal. L. Rev. 304; *McKeel v. Schroeder* (N.D. Cal. 1963) 215 F. Supp. 756, and *Paterson v. City of Chicago* (N.D. Ill. 1962) 209 F. Supp. 576, *rev'd on other grounds* (7 Cir. 1963) 342 F. 2d 254.

The percentage allocation of fault which a litigant in the situation of the "Rotti" owner may be permitted to bear without leaving an impartial observer with the overriding realization that an injustice has been done, is so small as to further fortify the conclusion, which we submit is overwhelming, that justice requires that the "Rotti" be exonerated.

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**IV. THE SEVERAL CLEAR ERRORS OF THE DISTRICT COURT AS TO NAVIGATIONAL FACTS, ALTHOUGH NOT ESSENTIAL TO THIS APPEAL, DEMONSTRATE THAT THE DISTRICT COURT IMPROPERLY IMPOSED ON THE "ROTTI" THE BURDEN OF PROVING FREEDOM FROM FAULT.**

The description of the navigation of the "Rotti" with respect to the "Tuttle" as given in the Court's Findings Nos. 9 and 10 (C.T. 179) is garbled and inaccurate. An accurate presentation of the relative navigational facts with references to the record, appears in Appendix IV. The evidence is uncontradicted and undisputed, and the several respects in which the Court's findings differ from the record are clear error.

Although there was considerable argument on the subject of the nature of the movement of a turning vessel through the water, the District Court's conclusion that a

ollision would not have occurred if the "Rotti" had kept her engines on "stop", probably was contributed to by the District Court's acceptance of the physically false argument advanced by libelant-appellant that there is no sideways component to the movement of a vessel through the water after the vessel is well into a turn and *therefore* that it was physically necessary for the "Rotti" to move *within* the "Tuttle's" turning circle for the collision to occur (R.T. 467). In fact, there is a substantial slewing, sideways component to the motion of a vessel through the water at every point of her turning circle, and the collision between the bows of the two vessels could have resulted solely from the movement of the "Tuttle", with the "Rotti" dead in the water at any point tangent to the turning circle circumscribed by the "Tuttle's" bow, as shown to the Court by the excerpts from Knight on Modern Seamanship" (C.T. 155 c, d and e).

One other related point, minor in itself, but worthy of mention by way of example, is the District Court's Finding No. 10 (C.T. 179) that the "Rotti" had forward headway through the water at the time of collision.

This finding is contrary to the testimony of the "Rotti's" pilot (R.T. 212) and of the "Rotti's" master (R.T. 344, 345) and is purportedly based on the testimony of witness Guralnick, whose testimony was produced as expert on behalf of the "Tuttle", even though the "Tuttle" did not produce any of the "Tuttle" navigators who were present at the collision or attempt to account for their non-production. It is only incidental that expert Guralnick himself testified that a vessel such as the "Rotti" proceeding at the "Rotti's" 60 rpm

or 12 knots could be brought to a stop in the water through working her engines full astern for  $1\frac{1}{2}$  or 2 minutes (R.T. 308) while the record shows (Lib. Exh. 2) that the "Rotti" worked her engines full astern for a full two minutes during the relevant period commencing, not at 12 knots through the water, but with a speed through the water which even witness Guralnick's own chart (Lib. Exh. 8) indicated had been reduced by intervening stop bells to 9 knots through the water. It is also incidental that witness Guralnick's own chart (Lib. Exh. B) supports the testimony of the "Rotti" witnesses when it is recognized that the chart represents *average* speed (R.T. 304) and not the "Rotti's" terminal speed.

Whether the "Rotti" had slight headway through the water (not over the ground) at collision, or was being swept backwards at a full  $3\frac{1}{2}$  knots into buoy No. 4 (R.T. 213) is of virtually no significance with respect to collision liability.

What we submit is significant in this context, is the fact that the District Court accepted the equivocal, speculative testimony of an expert witness as against the direct testimony of the "Rotti's" pilot and master (whom the Court felt worthy of credit, R.T. 447) even though the "Tuttle" offered no explanation of its failure to produce its ship witnesses who were present at the collision, a failure which under the rule of evidence historically applied in collision cases, would raise a presumption that the "Tuttle" witnesses, if produced, would have supported the "Rotti's" testimony that the "Rotti" was dead in the water at the time of collision. *Coyle Lines Inc. v. United States* (5 Cir. 1952) 195 F. 2d 737, 741

*the Prudence* (E.D. Va. 1911) 191 Fed. 993. It is thus abundantly clear that the District Court applied an erroneous standard in evaluating the evidence as well as the navigation of the "Rotti", and in each aspect of the case cast upon the "Rotti" the heavy burden of exonerating herself, rather than applying the proper rule enunciated in *United States v. Shaw, Savill & Albion Co.*, (2 Cir. 1949) 178 F. 2d 849, that a vessel which has navigated as badly as did the "Tuttle" has an unusually heavy burden of proof to carry in attempting to establish fault on the "Rotti".

It is true that the non-chronological manner in which the libelant-appellee chose to examine pilot Sever at the trial and the libelant-appellee's introduction of bits and pieces of the testimony of the "Rotti" witnesses makes it somewhat difficult to follow the chronological sequence of the "Rotti" maneuvers with respect to the "Tuttle". That the libelant-appellee's method of proceeding rendered the record more than ordinarily difficult to use, does not, however, have the effect of generating evidence of fault where no such evidence exists.

### CONCLUSION

The basic legal principles when properly applied to this case which, in all material respects, was submitted on uncontroverted evidence of undisputed facts, require that the interlocutory decree of the District Court be set aside and a new interlocutory decree entered under which the "Tuttle" will bear full financial responsibility for the collision caused by its fault.

Dated, November 20, 1967.

Respectfully submitted,

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---

### CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit and that, in my opinion, the foregoing brief is in full compliance with those rules.

FRANCIS L. TETREAULT

**(Appendices Follow)**



## **Appendices.**



## Appendix I

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### LIST OF EXHIBITS

(Pursuant to Rule 18,2(f))

(References are to Reporter's Transcript)

	Identified, Offered and Received in Evidence
<b>Defendant's Exhibits</b>	
1. Chart entitled "San Francisco Entrance" with markings by Pilot Sever	6
2. "Rotti" deck bell book and translation	19
3. Photograph of radar scope	55
4. Plotting chart	71
5. "Rotti" course recorder chart	91
6. "Rotti" engine room bell book and translation	96
7. August 29, 1965, statement of Lieutenant Scott B. Wilkes, with four sketches	133
8. Chart used by witness Maurice Guralnick	272
9. Photographs of "Tuttle"	288
<b>Respondent's Exhibits</b>	
A. Photograph of radar scope	237
B. Blurred photograph of "Rotti" wheelhouse	238
C. Photograph of "Tuttle" taken from "Rotti"	240
D. Photograph of "Tuttle" taken from "Rotti"	240
E. Photographic enlargement of "Tuttle's" course recorder chart	338
F. Photocopy of "Tuttle" engine bell book	338

## Appendix II

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### STATUTES AND RULES INVOLVED

#### A. Rules in effect at time of collision, August 29, 1965.

##### SPEED IN FOG

Rule 16 (a) (33 U.S.C. §145n):

“(a) Every vessel, or seaplane when taxi-ing on the water, shall, in fog, mist, falling snow, heavy rainstorm or any other condition similarly restricting visibility, go at a moderate speed, having careful regard to the existing circumstances and conditions.

“(b) A power-driven vessel hearing, apparently forward of her beam, the fog-signal of a vessel the position of which is not ascertained, shall, so far as the circumstances of the case admit, stop her engines, and then navigate with caution until danger of collision is over.

##### NARROW CHANNELS AND BENDS THEREIN

Rule 25 (a) (33 U.S.C. §146i):

“(a) In a narrow channel, every power-driven vessel when proceeding along the course of the channel shall, when it is safe and practicable, keep to that side of the fairway or mid-channel which lies on the starboard side of such vessel.

#### B. Rules which became effective September 1, 1965.

##### SPEED IN FOG

Rule 16 (a) (33 U.S.C. §1077):

“(a) Every vessel, or seaplane when taxi-ing on the water, shall, in fog, mist, falling snow, heavy rainstorms

any other condition similarly restricting visibility, go to a moderate speed, having careful regard to the existing circumstances and conditions.

“(b) A power-driven vessel hearing, apparently forward of her beam, the fog-signal of a vessel the position of which is not ascertained, shall, so far as the circumstances of the case admit, stop her engines, and then navigate with caution until danger of collision is over.

“(c) A power-driven vessel which detects the presence of another vessel forward of her beam before hearing her fog signal or sighting her visually may take early and substantial action to avoid a close-quarters situation, but, if this cannot be avoided, she shall, so far as the circumstances of the case admit, stop her engines in proper time to avoid collision and then navigate with caution until danger of collision is over.

---

## ANNEX TO THE RULES

(33 U.S.C. §1094)

**Recommendations on the use of radar information as an aid to avoiding collisions at sea.**

“(1) Assumptions made on scanty information may be dangerous and should be avoided.

“(2) A vessel navigating with the aid of radar in restricted visibility must, in compliance with Rule 16(a), proceed at a moderate speed. Information obtained from the use of radar is one of the circumstances to be taken into account when determining moderate speed. In this regard it must be recognized that small vessels, small icebergs and similar floating objects may be not detected by



radar. Radar indications of one or more vessels in the vicinity may mean that "moderate speed" should be slower than a mariner without radar might consider moderate in the circumstances.

"(3) When navigating in restricted visibility the radar range and bearing alone do not constitute ascertainment of the position of the other vessel under Rule 16(b) sufficiently to relieve a vessel of the duty to stop her engines and navigate with caution when a fog signal is heard forward of the beam.

"(4) When action has been taken under Rule 16(c) to avoid a close quarters situation, it is essential to make sure that such action is having the desired effect. Alterations of course or speed or both are matters as to which the mariner must be guided by the circumstances of the case.

"(5) Alteration of course alone may be the most effective action to avoid close quarters provided that:

"(a) There is sufficient sea room.

"(b) It is made in good time.

"(c) It is substantial. A succession of small alterations of course should be avoided.

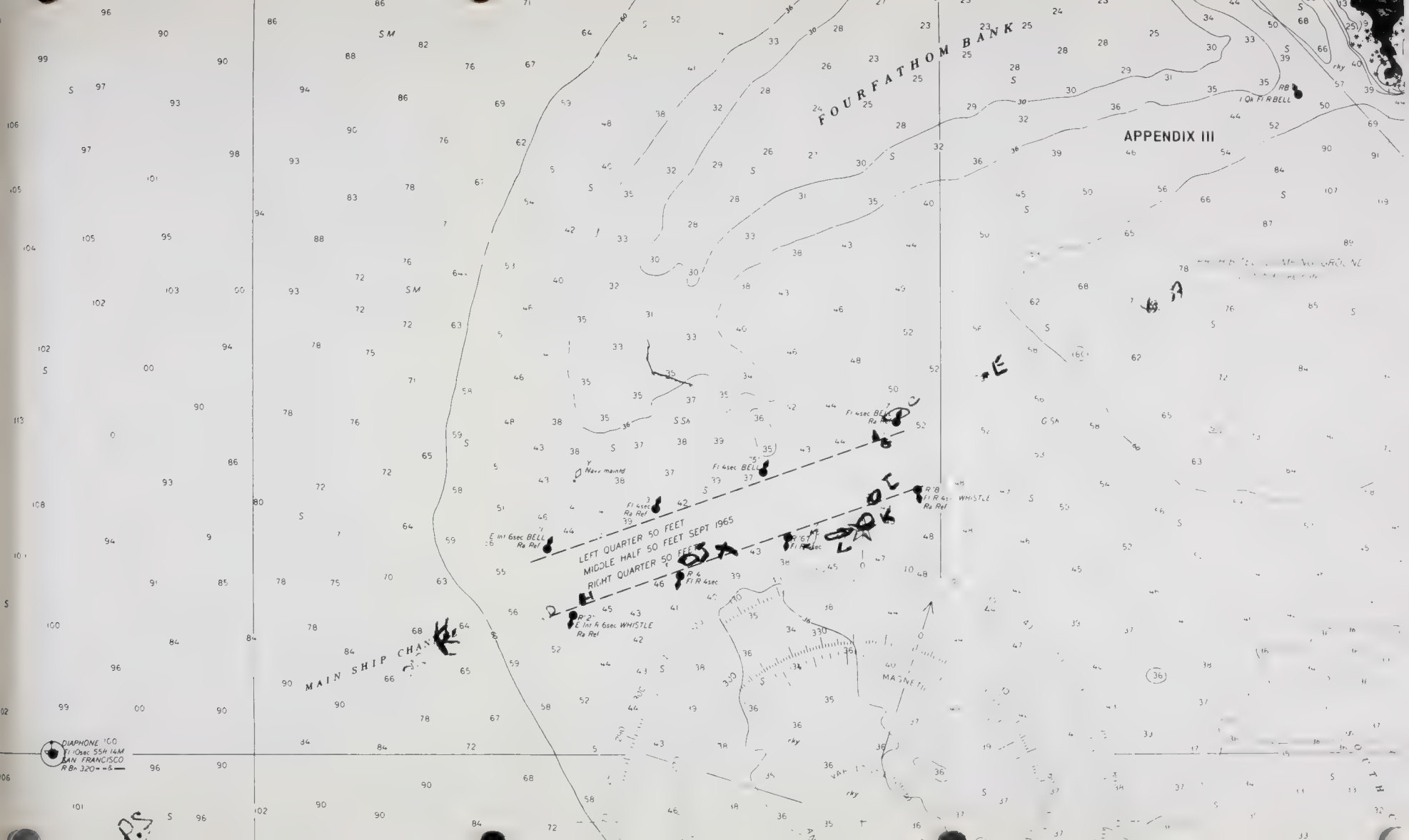
"(d) It does not result in a close quarters situation with other vessels.

"(6) The direction of an alteration of course is a matter in which the mariner must be guided by the circumstances of the case. An alteration to starboard, particularly when vessels are approaching apparently on opposite or nearly opposite courses, is generally preferable to an alteration to port.

‘(7) An alteration of speed, either alone or in connection with an alteration of course, should be substantiated. A number of small alterations of speed should be avoided.

‘(8) If a close quarters situation is imminent, the best prudent action may be to take all way off the vessel.’





FOUR FATHOM BANK

APPENDIX III

MAINSHIP CHANNEL

LEFT QUARTER 50 FEET  
MIDDLE HALF 50 FEET  
RIGHT QUARTER 50 FEET

MAGNET

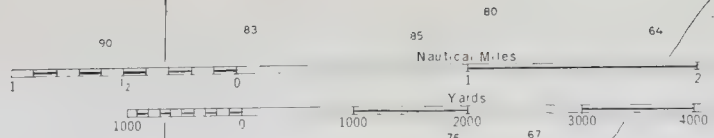
DIAPHONE 100  
Fl 100m 6sec BELL Ra Ref  
Fl 100m 6sec WHISTLE Ra Ref  
Fl 100m 6sec BELL Ra Ref











Potatopatch Shoal  
FOUR FATHOM BANK

# APPENDIX IV

- 1 First radar sighting of "Tuttle" by "Ratti" distance 3 1/2 miles RT 178
- 2 (RT 188) "Ratti" commenced fog signals and reduced to minimum speed before entering fog or channel RT 192, lines 16-20
- 3 (RT 188)
- 4 (RT 192) At this stage appeared "Tuttle" would continue out north half of channel, but when "Tuttle" continued to south past mid-channel "Ratti" stopped engines (1852)

LEFT QUARTER 50 FEET  
MIDDLE HALF 50 FEET  
RIGHT QUARTER 50 FEET  
MAIN SHIP CHANNEL

- 5 (RT 194 196 197) The "Tuttle" had crossed channel and passed to "Ratti's" starboard a distance 1 1/2 miles and continued south so "Ratti's" engines ordered half ahead 1852.
- 6 (RT 198) "Tuttle" clear of channel and continuing southbound "Ratti" ordered engines "full ahead" 1853.
- 7 The app of the "Tuttle" on the "Ratti's" radar stopped going south and appeared to remain constant with rotation to buoy No 6 RT 200 line 13-24 "Ratti's" engines put on full astern (1854).
- 8 Pip of "Tuttle" appeared constant but coming back in channel RT 201 then appeared to proceed to westward on a parallel course south of the channel (RT 30) so "Ratti" stopped her engines "to wait" RT 201 1855
- 9 After the "Tuttle" had passed westerly of buoy No 6 and approximately 0.6 mile distant "Tuttle" was seen to be turning to her right back into the channel. "Ratti" immediately ordered emergency full astern. At this point "Tuttle" sounded its first fog signal. (RT. 204, 205) and gave the danger signal (RT. 29) (1856).
- 10 Collision occurred (RT 213 1857 with the "Ratti" still on a 70° T heading and the "Ratti" swinging to her right in a range 250-300 (RT. 208) or, as estimated by another witness up to 325 RT 29 and the "Ratti's" stern wash from her astern engines had reached the midship house and cutting that she was stopped, or virtually stopped in the water RT 212 RT 344 345.

DIAPHONE 00  
T 110 sec 55M 14M  
SAN FRANCISCO  
RBn 320--8









No. 22,050

IN THE

United States Court of Appeals  
For the Ninth Circuit

N. V. STOOMVAART MAATSCHAPPIJ

“NEDERLAND”,

*Appellant,*

VS.

STANDARD OIL COMPANY OF CALIFORNIA,

*Appellee.*

APPELLEE'S BRIEF

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FILED

JAN 12 1968

WM. B. LUCK, CLERK

JAN 15 1968



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---

**APPELLEE'S BRIEF**

---

**STATEMENT OF JURISDICTION**

This is an appeal from an interlocutory judgment in admiralty of the United States District Court for the Northern District of California, The Honorable Albert C. Tollenberg. The District Court held that appellant's vessel, the “Rotti,” committed substantial faults which contributed to the collision with appellee's vessel, the “Tuttle” (Cl.Tr. 159-160, 180). The court decreed the damages should be apportioned equally between appellant and appellee (Cl.Tr. 183).

The District Court had jurisdiction of the instant case, an admiralty and maritime action, under section 1333 of title 28 of the United States Code.

The District Court filed its Findings of Fact and Conclusions of Law (Cl.Tr. 176-181) and Interlocutory Decree (Cl.Tr. 182-183) on May 31, 1967.

Notice of appeal was filed on June 14, 1967 (Cl.Tr. 184). This Court has jurisdiction pursuant to Title 28 of the United States Code, sections 41, 1291, 1294 and 2107.

---

### STATEMENT OF THE CASE

On August 29, 1965, at 6:57 P.M. (1857) Pacific Daylight Time, the Dutch vessel S.S. ROTTI and the American vessel S.S. TUTTLE collided in the San Francisco main ship channel (Rep.Tr. 157; App.Opn.Br., p. 2). The collision occurred in dense fog in the southerly half of the channel (App.Opn.Br., pp. 2-3; Rep.Tr. 203-204). There were no personal injuries or cargo damage (Cl.Tr. 62, 69). Both vessels were damaged (Cl.Tr. 12, lines 16-18; 87). Appellee's vessel, the "Tuttle," admitted her fault (Rep.Tr. 5; Cl.Tr. 88) and the trial proceeded on the question whether appellant's vessel, the "Rotti," was also at fault.

At 1833, the "Rotti" picked up her San Francisco Bay pilot, Captain Johan H. Sever, one mile southeast of the San Francisco lightship (Rep.Tr. 38-39). As soon as Captain Sever boarded, the "Rotti"'s master, Captain Cornelius Hoedemaker, ordered full ahead maneuvering speed (12 knots) (Rep.Tr. 17, 38, 40-41).<sup>1</sup> Captain Sever imme-

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<sup>1</sup>Unless otherwise specified, all speeds are given as speed *through the water* rather than over the ground because "[w]hen two vessels are navigating with respect to one another in a current since the current affects both alike [citation] it is their speed *through the water* which is important" (Griffin, *The American Law of Collision*, 1949, sec. 255, p. 582; emphasis in original; see also Rep.Tr. 289-290).

ately went to the bridge and ordered, at 1836,<sup>2</sup> additional speed to full ahead maneuvering extra (13 knots) (Rep.Tr. , 160, 168). At this time, the "Rotti" was in clear weather with good visibility except that a dense fog lay ahead enveloping most of the main ship channel (Rep.Tr. , 159-160, 204). The "Rotti" 's radar was on and her second officer, J. H. Planken, was assigned the duty of radar observer and plotter (Rep.Tr. 59-60).

As the "Rotti" approached the fog bank and the entrance to the main ship channel, an object, which later proved to be the "Tuttle," appeared on her radar (Rep. r. 75-76). When the two vessels were 3½ miles apart, the "Tuttle" was identified as an outbound vessel (Rep. r. 178-179). She bore 62 degrees true from the "Rotti" (Rep.Tr. 62-63, 81).<sup>3</sup> The "Rotti" was on a course varying from 70 to 72 degrees (Rep.Tr. 24). The "Rotti" remained on that course until just prior to the collision (Rep.Tr. 26, 62).

The "Rotti" entered the main ship channel at 1847 and reduced her speed from extra full ahead (13 knots)

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<sup>2</sup>Unless otherwise specified, all times shown are times from the "Rotti" 's deck bell book (Libelant's Exh. 2). The times shown by the "Rotti" 's engine room bell book (Libelant's Exh. 6) would probably more accurately reflect times at which engine orders were acted upon (Rep.Tr. 100, 102, 104; see *Skibs A/S Siljested v. S Mathew Luckenbach* (S.D.N.Y. 1963) 215 F.Supp. 667, 673; affirmed (2 Cir. 1963) 324 F.2d 563). However, a comparison of the two books shows the time lag to be uniform and the earlier times of the deck book are used in order to give the "Rotti" the benefit of the doubt (see Rep.Tr. 320).

<sup>3</sup>Unless otherwise specified, all references to bearings are true rather than relative bearings. Therefore, since the "Rotti" was heading 70 to 72 degrees, bearings below 70 to 72 degrees would be on her left hand or port side and bearings above 70 to 72 degrees would lie on her right hand or starboard side.



to full ahead (12 knots) (Rep.Tr. 41, 156, 168, 175-176). The fog bank lay directly ahead, moving outward, and the "Rotti" commenced blowing her fog signals (Rep.Tr. 41-44, 176, 182). She entered the dense fog at full ahead at about 1850.<sup>4</sup> Visibility was approximately 200 to 250 feet (Rep.Tr. 43). The bow of the "Rotti" could hardly be seen from her bridge (Rep.Tr. 204).

Between 1847 and 1850, the "Rotti" had observed on its radar that the "Tuttle" went from a bearing of 60 degrees to 58 degrees, indicating that the "Tuttle" was moving along the "Rotti" 's port side (Rep.Tr. 66, 80-81, 190-192). The "Tuttle" 's bearing then began to increase and she moved toward the "Rotti" 's bow (Rep.Tr. 190). Captain Sever stated he kept the "Rotti" at full ahead because he thought that the "Tuttle" would proceed outbound on the north side of the channel (Rep.Tr. 192). The "Tuttle" then proceeded across midchannel until she was dead ahead of the "Rotti" (Rep.Tr. 53, 74-75, 83-85). At 1852, when the "Tuttle" lay dead ahead of the "Rotti" took its first action to slow down by stopping her engines (Rep.Tr. 53, 194). Such action merely takes the power off the screw and there is no braking power other than the friction of the water (Rep.Tr. 194, 195, 277-279).

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<sup>4</sup>For each knot of speed, a vessel goes 100 feet in one minute (*Anglo-Saxon Petroleum Co. v. United States* (2 Cir. 1955) 22 F.2d 86, 87). According to her master, Captain Hoedemaker, the "Rotti" was going 12 (possibly 13) knots through the water (Rep.Tr. 41) into 3-knot tide and therefore was proceeding at a speed of at least 9 knots over the ground (Rep.Tr. 230), i.e., 900 feet or 300 yards per minute. The fog was encountered about  $\frac{3}{4}$  of the way between Buoy 3 and Buoy 4 (Rep.Tr. 42). These buoys are about 1300 yards apart (Libellant's Exh. 1). Therefore, the "Rotti" would have covered  $\frac{3}{4}$  of the distance, 975 yards, in just over 3 minutes after 1847.

The "Rotti" kept her engines on stop for only one half of a minute (Rep.Tr. 156), which time hardly slowed her own (Rep.Tr. 277-279). At 1852½, when the "Tuttle" was only a few degrees relative off the "Rotti" 's bow, Captain Sever ordered half ahead (Rep.Tr. 156, 196-197). Full ahead was ordered at 1853½ (Rep.Tr. 156). Although the relative bearing of the "Tuttle" never exceeded 15 degrees relative off the "Rotti" 's bow, Captain Sever testified that "I figured he [the "Tuttle"] was in the clear, that he was going south" toward the outside of the main ship channel (Rep.Tr. 196-198). No visual sighting of the "Tuttle" had yet been made (Rep.Tr. 198).

The "Rotti" continued ahead until 1854, three minutes before the collision (Rep.Tr. 156, 157). When the "Rotti" 's radar showed that the "Tuttle" had reached a bearing of about 15 degrees relative off the "Rotti" 's bow and a distance of approximately one mile from the "Rotti," the bearing began to decrease (Rep.Tr. 86, 198-200). This meant that the "Tuttle" was then heading back toward the "Rotti" (Rep.Tr. 86). Captain Sever ordered, at 1854, stop and then full astern (Rep.Tr. 200-201).

In less than one minute, at 1855, Captain Sever ordered stop again (Rep.Tr. 201). Captain Hoedemaker, the "Rotti" 's master, stated that "stop" was ordered because it appeared that the "Tuttle," which was then only 10 degrees off the "Rotti" 's bow and closing (Rep.Tr. 4-65, 66-67, 85-86, 202), would proceed on a course parallel to the "Rotti" on the outside of the southern boundary of the channel (Rep.Tr. 30, 54). He acknowledged that it was impossible to tell the heading of an object on the "Rotti" 's radar (Rep.Tr. 51) and that it was also

impossible to tell whether a change of course was a continuous swing as opposed to several unrelated changes (Rep.Tr. 59). The "Rotti"'s pilot, Captain Sever, testified that when he ordered "stop": "I didn't know exactly then what he [the "Tuttle"] was going to do whether he was going to stay there or not" (Rep.Tr. 224 lines 5-7). He decided to "wait and see what's going to happen" (Rep.Tr. 201, line 25, to 202, line 1).

When the "Rotti" went on "stop," the bearing and the distance of the "Tuttle" were steadily decreasing (Rep.Tr. 64-65, 66-67, 86-88, 202). This meant that the "Rotti" and the "Tuttle" were coming closer together (Rep.Tr. 87, 202) and that, in the words of the "Rotti"'s radar officer, a "dangerous situation" was developing (Rep.Tr. 87). For the next minute, the "Rotti" remained on stop while the bearing and distance of the "Tuttle" continued to decrease (Rep.Tr. 86-87, 202). Captain Sever testified that when the "Tuttle" reached a distance of six-tenths of a mile, the radar officer called out: "Looks like it's swinging back in" (Rep.Tr. 203, lines 1-4). The radar officer testified that, from the time the "Tuttle" had reached a bearing of 15 degrees relative off the "Rotti"'s starboard bow and a distance of 1.2 miles from the "Rotti", he called out the fact that the bearing and distance were steadily decreasing (Rep.Tr. 86-89). In any event, at 1856, Captain Sever ordered full astern (Rep.Tr. 204-205). He then heard a whistle from the "Tuttle," at almost the same time that the "Tuttle" appeared dimly out of the fog, and he ordered extra full astern (Rep.Tr. 205, 207, 214). When the "Tuttle" appeared visually, Captain Sever observed that she was

vinging to her starboard and away from the "Rotti" (Rep.Tr. 207-209). At 1857 the "Rotti" collided with the "Tuttle," penetrating the forward port side of the "Tuttle" to a considerable distance (Rep.Tr. 157, 212; Appellant's Exh. 9). The vessels were at practically right angles to each other at the time of the collision (Rep.Tr. 188-209).

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### SUMMARY OF ARGUMENT

The District Court found that appellant's vessel, the "Rotti," committed substantial faults which contributed to the collision through its violation of the moderate speed requirements of Rule 16(a) of the International Rules for Preventing Collisions at Sea. Alternatively, the District Court found that the "Rotti" violated the standard of care as codified in Rule 16(c) of the International Rules. We submit that each of these determinations is correct. We also submit that the District Court correctly decreed, in accord with the long-established admiralty rule, that damages should be apportioned equally between appellant and appellee.

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### ARGUMENT

**THE DISTRICT COURT CORRECTLY DETERMINED THAT THE "ROTTI" COMMITTED SUBSTANTIAL CONTRIBUTORY FAULTS.**

The District Court held (Cl.Tr. 180-181), *inter alia*, that: (1) the "Rotti" 's immoderate speed in violation of Rule 16(a) of the International Rules for Preventing Collisions at Sea (App.Opn.Br., Appx. II, p. ii) was a substantial fault contributing to the collision; (2) the



“Rotti”’s failure to remain stopped at 1852 was a substantial fault contributing to the collision; (3) the “Rotti”’s shift (“kick”) of her engines to full ahead in the dense fog was a substantial fault contributing to the collision. As an additional and alternative holding the District Court found (Cl.Tr. 180) that in each of these respects the “Rotti” failed to meet the standard of care required of ships having radar as set forth in Rule 16(c) (App.Opn.Br., Appx. II, p. iii).<sup>5</sup>

It is elementary that:

“In reviewing a judgment of a trial court sitting without a jury in admiralty, the Court of Appeals may not set aside the judgment below unless it is clearly erroneous. No greater scope of review is exercised by the appellate tribunals in admiralty cases than they exercise under Rule 52(a) of the Federal Rules of Civil Procedure” (*McAllister v. United States* (1954) 348 U.S. 19, 20).

Accord: *China Union Lines, Ltd. v. States Steamship Company* (9 Cir. 1967) 378 F.2d 356, 357, certiorari denied (1967) 88 S.Ct. 336.

We submit that the District Court correctly decided the case and the judgment therefore should be affirmed.

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<sup>5</sup>Appellant correctly points out that Rule 16(c) was “not effective as a statute” (App.Opn.Br., p. 20) until 3 days after the collision. However, as appellant’s counsel expressly agreed (Rep.Tr. 11, lines 18-19) in opening argument, Rule 16(c) and its annex were at that time “a particularly persuasive guide to what good seamanship use of radar information is” (Rep.Tr. 8, lines 11-12). The applicability of the standard of care codified in Rule 16(c) is discussed in detail below (*infra*, pp. 15-20).



A. The "Rotti" violated the statutory requirement to go at a moderate speed in fog.

At the time of the collision, Rule 16(a) provided, as it now provides, that:

"(a) Every vessel \* \* \* shall, in fog, mist, falling snow, heavy rainstorms or any other condition similarly restricting visibility, go at a moderate speed, having careful regard to the existing circumstances and conditions" (App.Opn.Br., Appx. II, pp. ii, iii).

The definition of "moderate speed" under Rule 16(a) is well settled in the Ninth Circuit. That definition is known as the rule of *The Silver Palm*:

"One of the very long-established principles of law in maritime navigation is that a vessel shall not proceed in a fog at a speed at which she cannot be stopped dead in the water in one-half the visibility before her" (*The Silver Palm* (9 Cir. 1937) 94 F.2d 754, 757).

The rule of *The Silver Palm* has always been strictly enforced.

*Carr v. Hermosa Amusement Corporation, Limited*  
(9 Cir. 1943) 137 F.2d 983, 985, certiorari denied  
(1944) 321 U.S. 764;

*The Ernest H. Meyer* (9 Cir. 1936) 84 F.2d 496,  
497, certiorari denied (1936) 299 U.S. 600;

*Orient Steam Navigation Company v. United States*  
(S.D.Cal. 1964) 231 F.Supp. 469, 475;

*Weyerhaeuser Steamship Company v. United States*  
(N.D.Cal. 1959) 174 F.Supp. 663, 666, modified  
as to damages (N.D.Cal. 1959) 178 F.Supp. 496,  
approved (1963) 372 U.S. 597;

- Evich v. The Santa Lucia* (S.D.Cal. 1950) 94 F.Supp. 607, 609;  
*Union S.S. Co. of New Zealand, Limited v. Standard Oil Co. of California* (W.D.Wash. 1945) 6 F.Supp. 538, 539;  
*The Kaga Maru* (W.D.Wash. 1927) 18 F.2d 294, 298.

Both Captain Sever and Captain Hoedemaker testified that visibility was extremely limited before, and at the time of, the collision (Rep.Tr. 43, 204). Captain Sever admitted that he could not even see the bow of the "Rotti" very well (Rep.Tr. 204). The evidence showed that the "Rotti" had a headway of possibly 5 knots at the time of the collision (Rep.Tr. 272; and see discussion *infra*, pp. 25-26). And, contrary to appellant's assertion (e.g., App.Opn.Br., p. 27), even Captain Sever admitted that the "Rotti" had some forward movement at the time of the collision (Rep.Tr. 211-212). It is therefore apparent that the "Rotti" was unable to stop within one-half the distance of her visibility and that she violated the rule of *The Silver Palm*.

Appellant does not seriously contend that the "Rotti" complied with the rule of *The Silver Palm*. Instead, appellant argues that the existence of radar is a "circumstance" which may excuse compliance and allow a ship to proceed at a faster rate in fog (App.Opn.Br., pp. 12-14). Appellant cites no authority, and we are aware of none, which would support this argument. Indeed, the cases have continued to apply the long-standing requirement that a vessel must be able to stop within one-half the distance of visibility even if that vessel is using radar.

*Orient Steam Navigation Company v. United States* (S.D.Cal. 1964) 231 F.Supp. 469, 475; *Weyerhaeuser Steamship Company v. United States* (N.D.Cal. 1959) 174 F.Supp. 663, 665-666, modified as to damages (N.D.Cal. 1959) 178 F.Supp. 496, approved (1963) 372 U.S. 597).

The new section 1075.1 of Title 33<sup>6</sup> of the United States Code provides:

“The possession of information obtained from radar does not relieve any vessel of the obligation of *conforming strictly* with sections 1061-1094 of this title and, in particular, the obligations contained in sections 1076 and 1077 [Rule 16] of this title” (emphasis added).

and it is noteworthy that the new annex to the rules, upon which appellant relies (App.Opn.Br., pp. 13, 20), provides that “[a] vessel navigating with the aid of radar in restricted visibility *must*, in compliance with rule 16(a), go at a moderate speed,” and that “[r]adar indications of one or more vessels in the vicinity may mean that ‘moderate speed’ should be *slower* than a mariner without radar might consider moderate in the circumstances” (App.Opn.Br., Appx. II, pp. iii, iv; emphasis added).

The reasons why the use of radar does not excuse strict compliance with moderate speed requirements are apparent. The Court of Appeals for the Second Circuit has observed that:

“\* \* \* the mere use of radar does not justify a failure to obey the rules of navigation generally appli-

<sup>6</sup>The applicability of this section, as well as the remainder of the radar Amendment to the rules, which were effective 3 days after the collision, is discussed below (infra, pp. 18-19).

cable. Radar is an additional safeguard, \* \* \* but master who relies on radar alone and disregards any or all other precautions and requirements, statutory or otherwise, does so at his own risk. [citing authorities] Indeed, it is surprising how many collisions continue to occur despite the fact that both vessels are equipped with and are operating radar. We have already had occasion to comment on the fact that by giving a false sense of security radar, when not properly used, may 'increase the chances of collision' " (*Afran Transport Co. v. The Bergechief* (Cir. 1960) 274 F.2d 469, 472-473).

In the instant case, although her radar revealed the close presence of another vessel, the "Rotti" proceeded at full ahead through the dense fog until that other vessel was dead ahead (Rep.Tr. 194). The "Rotti" then went on stop for only one half of a minute, after which it proceeded ahead again on the erroneous supposition that the "Tuttle" would go off in a southerly direction (Rep.Tr. 196, 198)—despite the fact that the relative bearing never exceeded 15 degrees (Rep.Tr. 85-86).

The "Rotti" went on full astern for a brief moment when her radar showed that the distance and the relative bearing of the "Tuttle" had begun to decrease (Rep.Tr. 199-200). However, shortly thereafter the "Rotti" went back to stop (Rep.Tr. 201). The "Rotti"'s master, Captain Hoedemaker, stated that this was done because it was assumed that the "Tuttle" would proceed on a course parallel to the "Rotti" on the outside of the channel (Rep.Tr. 30, 54), even though, as Captain Hoedemaker acknowledged, it was impossible to tell the heading of an object on the "Rotti"'s radar (Rep.Tr. 51). The



“Rotti”’s pilot, Captain Sever, frankly admitted that he “didn’t know exactly then what [the “Tuttle”] was going to do” (Rep.Tr. 224, lines 5-6). He decided to glide through the water on stop in order to “wait and see what’s going to happen” (Rep.Tr. 201, line 25, to 202, line 1). The “Rotti” thus proceeded ahead despite the fact that her radar indicated that both the bearing and the distance of the “Tuttle” were steadily decreasing (Rep.Tr. 64-65, 66-67, 86-88, 202). This action was taken either because of an erroneous interpretation of the information gained from the use of radar or in spite of that information. In either case, the need for continued application of moderate speed requirements, including the rule of *The Silver Palm*, is plain.

Moreover, even if the rule of *The Silver Palm* were not applied, it is clear that the “Rotti”’s speed was immoderate. The “Rotti” proceeded at a full ahead of 12 knots into a dense fog. She had sighted the fog long before entering it and yet maintained her 12 knot speed. Numerous cases have found a violation of Rule 16(a) under similar facts and circumstances.

*United States v. M/V Wuerttemberg* (4 Cir. 1964) 330 F.2d 498, 503;

*The Sylvan Arrow* (2 Cir. 1939) 104 F.2d 102, 104, certiorari denied (1939) 308 U.S. 603;

*The Edward E. Loomis* (2 Cir. 1936) 86 F.2d 705, 708;

*Villain & Fassio E. Compagnia v. Tank Steamer E. W. Sinclair* (S.D.N.Y. 1962) 207 F.Supp. 700, 707, affirmed (2 Cir. 1963) 313 F.2d 722, certiorari denied (1963) 373 U.S. 948;



*Moore-McCormack Lines v. The Esso Camden*  
(S.D.N.Y. 1951) 99 F.Supp. 334, 339;

*The Julia Luckenbach* (E.D.Va. 1914) 219 Fed.  
600, 604-605, affirmed (4 Cir. 1916) 239 Fed. 94.

Contrary to appellant's assertions (App.Opn.Br., pp. 12, 14), there is no conflict between the District Court's finding that the "Rotti" violated Rule 16(a) and the decision in *The Beaver* (9 Cir. 1918) 253 Fed. 312. *The Beaver* did not involve the distance in which a ship must be able to stop in the fog as did the later case of *The Silver Palm*. It is clear that the "Rotti" could not have stopped within one half the distance of its visibility (supra, p. 10). In addition, *The Beaver* held only that a failure to reduce speed in the fog was not necessarily a fault as a matter of law.<sup>7</sup> As the District Court clearly explained (Cl.Tr. 157-159, 178-180; Rep.Tr. 455-456), its decision in the instant case was based upon all the attendant facts and the circumstances.

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<sup>7</sup>In relation to *The Beaver*, Griffin comments:

"If there is substantial fog, full speed, even though the vessel is a slow one, is not the moderate speed required by law. Such cases as appear to be to the contrary hold merely that there is no fixed rule of law on the subject, and that, under the particular circumstances, the full speed of the vessel in question was not imprudent.

\* \* \* \* \*

"In the *Beaver*, 253 Fed. 312 [1918], the Circuit Court of Appeals for the Ninth Circuit declined to hold, as matter of law, that a slow vessel, which ran at full speed (8¼ knots) in fog on the Pacific coast, was necessarily in fault. The court pointed out that the earlier American cases were decided before the addition to Article 16 of the words 'having careful regard to existing circumstances and conditions'; and declined to disturb a finding below that the vessel 'was proceeding at a moderate rate of speed for the conditions then prevailing.' It may be doubted whether this decision will be generally followed, in cases involving any substantial fog" (Griffin, *The American Law of Collision*, 1949, sec. 120, pp. 300-301).

The case of *United States v. Shaw, Savill & Albion Co.* (2 Cir. 1949) 178 F.2d 849 (App.Opn.Br., pp. 21-23, 29) is irrelevant to the "Rotti"'s violation of the moderate speed requirements of Rule 16(a). There was no fog in that case and the issue there involved was not one of speed but rather of "close shaving" (178 F.2d 850-852).

**The "Rotti"'s failure to remain stopped and its proceeding ahead were faults which contributed to the collision.**

The District Court determined that the "Rotti" committed faults, in addition to its immoderate speed, in failing to remain at stop after 1852 and in proceeding ahead thereafter (Cl.Tr. 180). The court also found (Cl.Tr. 180) that the "Rotti" failed to meet the standard of care set forth in Rule 16(c) (App.Opn.Br., Appx. II, p. iii) in these respects, as well as in respect to its immoderate speed. These findings are in accord with the standards established by the case law and as codified in Rule 16(c).

**The "Rotti" committed plain faults under the established case law.**

As the court below noted (Cl.Tr. 160), a ship has a duty to avoid not only collisions but also the risk thereof. The "Rotti" went to half ahead and then full ahead at a time when there was insufficient information upon which to base any conclusions in regard to the "Tuttle"'s course (see discussion *supra*, pp. 12-13). In so doing, the "Rotti" violated the "well settled [rule] that if a steamer is approaching another vessel \* \* \* whose position or movements are uncertain, she is bound to stop until the course and intentions of the other vessel be ascertained with certainty" (*Federal Insurance Company v. S.S. Roy-*

*alton* (6 Cir. 1963) 312 F.2d 671, 676). As was stated in a similar case,

“A close passing in fog is dangerous at any time. Deliberately undertaking it when there were other obvious and safe alternatives was a fault for which the *Swerve* should be responsible. Judge Learned Hand said, ‘\* \* \* it must always be remembered that it is the risk of collision, not the collision itself, that masters must avoid.’ When safe means of avoidance of risk of collision are obviously and readily at hand their neglect is inexcusable” (*United States v. Wuerttemberg* (4 Cir. 1964) 330 F.2d 498, 504).

Appellant apparently argues, in its discussion of *United States v. Shaw, Savill & Albion Co.* (2 Cir. 1949) 178 F.2d 849, that the “*Rotti*” cannot be deemed at fault because of the fact that the “*Tuttle*” changed course in front of her (see App.Opn.Br., pp. 21-23). This argument is misconceived. There was in the *Shaw* case no evidence from which the vessel charged with contributory fault (the “*Waipawa*”) could have determined that the other vessel (the “*Seger*”) had altered its course toward her (178 F.2d 851-852). In the instant case, the “*Rotti*” made erroneous assumptions, based on scanty information, as to the course of the “*Tuttle*.” Moreover, the fact that a vessel changes course and passes in front of another ship does not excuse the faults of that other ship. In a fact situation similar to the instant case, it was observed that:

“It is true that the *Luckenbach* was where she had right to be, on the south side of mid-channel, and ordinarily was not bound to anticipate that outbound ships would be there encountered. This, however, did not excuse her speed, immoderate in fog and attend-

ant circumstances. The inland rule against immoderate speed in fog was not abrogated because the Stewart violated the like rule requiring her to keep north of mid-channel. Both rules for safety of navigation had equal operation, and the violation of one is no less a fault than is the violation of the other.

“The Luckenbach was bound to anticipate that, in the circumstances and by misadventure or otherwise, outbound ships might proceed more or less south of mid-channel, and she also was bound to proceed at moderate speed, to avoid any collision so far as moderate speed might do so. Her failure was a proximate cause of the collision that followed” (*The Walter A. Luckenbach* (N.D.Cal. 1924) 4 F.2d 551, 552-553).

To the same effect:

*Federal Insurance Company v. S.S. Royalton* (6 Cir. 1963) 312 F.2d 671, 676;

*Tank Barge Hygrade v. The Gatco New Jersey* (3 Cir. 1957) 250 F.2d 485, 487;

*States Steamship Co. v. Permanente Steamship Corp.* (9 Cir. 1956) 231 F.2d 82, 88;

*Yamashita Kisen Kabushiki Kaisha v. McCormick Inter. S.S. Co.* (9 Cir. 1927) 20 F.2d 25, 27-28, certiorari denied (1927) 275 U.S. 562.

Appellant misses the point when it argues that there is no “support of any kind [for] the District Court’s stated conclusions that the collision would not have happened if the ‘Rotti’ had left her engines on ‘stop’; there is no evidence whatever of what the ‘Tuttle’ would have done if the ‘Rotti’ had remained stopped” (App.Opn.Br., p. 23). As the District Court clearly explained (Cl.Tr. 159-



160, 180; Rep.Tr. 459-460), its conclusions were based upon the fact that the "Rotti" contributed to *the* collision which in fact did occur. The fact that a *different* collision *might* have occurred under other facts and circumstances is, of course, irrelevant to this case.

2. The "Rotti" failed to meet the standard of care as set forth in the Radar Amendment to Rule 16.

Rule 16(c) provides:

"A power-driven vessel which detects the presence of another vessel forward of her beam before hearing her fog signal or sighting her visually may take early and substantial action to avoid a close-quarters situation, but, if this cannot be avoided, she shall, so far as the circumstances of the case admit, stop her engines in proper time to avoid collision and then navigate with caution until danger of collision is over" (App. Opn.Br., Appx. II, p. iii).

Although this section was not effective as a statute until three days after the collision, both parties agreed in opening argument that "these new rules [the entire Radar Amendment], although not binding as a statute—in the statutory sense on August 29th, \* \* \* are a particularly persuasive guide to what good seamanship use of radar information is" (Rep.Tr. 8, lines 9-12; 11, lines 18-19). The District Court therefore noted that: "the parties are in agreement that [the rules codified in the Radar Amendment] reflect the standard of care required of ships having radar at that time" (Cl.Tr. 169). And it held that: "The 'Rotti' failed to meet the standard of care required of ships having radar as set forth in the Radar Amendment to Rule 16" (Cl.Tr. 180).



Appellant now advances the argument, which it adopted for the first time in its motion for new trial and reconsideration (Cl.Tr. 172; Rep.Tr. 457-459), that only the new annex to the rules, not Rule 16(c), should be deemed applicable. Aside from the fact that the court's findings in respect to Rule 16(c) are plainly alternative, appellant's argument is without merit. Rule 16(c) is declaratory of good practice and the existing case law (*supra*, pp. 5-17), and it establishes no new or extraordinary rules of conduct. Rule 16 and its annex are part of the same cohesive standard of care and should be applied together. For example, subsection (1) of the annex provides that: "Assumptions made on scanty information may be dangerous and should be avoided" (App.Opn.Br., Appx. I, p. iii). As pointed out (*supra*, pp. 12-13, 15), the "Rotti" made erroneous assumptions—on scanty information—as to the course of the "Tuttle." In addition, subsection (2) provides that: "A vessel navigating with the aid of radar in restricted visibility must, in compliance with Rule 16(a), go at a moderate speed" (*ibid.*). As discussed above (*supra*, pp. 9-14), the "Rotti" did not proceed at a moderate speed. Thus, the "Rotti" was plainly in violation of the standard of care set forth in not only Rule 16(c), but also in the annex which appellant concedes is applicable to this case.

Appellant mistakenly attributes to the District Court an erroneous application of Rule 16(b) and of the case of *Afran Transport Company v. The Bergechief* (S.D.N.Y. 1959) 170 F.Supp. 893. Contrary to appellant's assertions (App.Opn.Br., pp. 9, 17), the court below based its finding that the "Rotti" should have remained on stop at 1852

expressly on Rule 16(c), not on Rule 16(b) and the *Afran Transport* case. The court below stated:

“Again, this Court refers to the requirement of Rule 16(c), *supra*. We read this amendment, particularly the requirement to take ‘early and substantial’ action, as placing a duty on the Rotti in the instant case to at least have *remained* at ‘stop’ five minutes before the collision until the risks of collision were over; in other words, the law placed a duty on the Rotti, when ‘sighting’ the Tuttle via radar to take meaningful action at an early time, not at the last minute. All the Rotti needed to do was to stop and wait until the Tuttle had passed her safely, instead of kicking her engines ahead five minutes before the collision. See, *Afran Transport Company v. The Bergechief*, 170 F.Supp. 893 (S.D.N.Y. 1959)” (Cl.Tr. 160; emphasis by court).

Thus, the District Court first determined that Rule 16(c) imposed a duty to remain at stop until the risks of collision were over. Such a situation is similar to Rule 16(b) under which a ship must stop upon hearing a fog signal and navigate with caution until the danger of collision is over. Therefore, the court’s reference to *Afran Transport* as an *analogous* case was entirely appropriate.

**II. THE SO-CALLED "MAJOR-MINOR FAULT" RULE DOES NOT APPLY AND THERE IS NO BASIS FOR PROPORTIONAL DIVISION OF DAMAGES.**

**A. The so-called "major-minor fault" rule does not apply.**

The District Court determined that the "Rotti" committed statutory violations and, as we have shown, there is ample support for the court's findings. Under such circumstances, the well-established rule of *The Pennsylvania* applies:

"[W]hen, as in this case, a ship at the time of a collision is in actual violation of a statutory rule intended to prevent collisions, it is no more than a reasonable presumption that the fault, if not the sole cause, was at least a contributory cause of the disaster. In such a case the burden rests upon the ship of showing not merely that her fault might not have been one of the causes, or that it probably was not, but that it could not have been. Such a rule is necessary to enforce obedience to the mandate of the statute" (*The Pennsylvania* (1873) 10 Wall. (86 U.S.) 136).

This rule has been consistently followed in the Ninth Circuit (*States Steamship Co. v. Permanente Steamship Corp.* (9 Cir. 1956) 231 F.2d 82, 85). Its effect, once a statutory fault is found, is to establish in the ship committing that fault the burden of proving that the fault not only did not but *could not* have contributed to the collision (*Lie v. San Francisco & Portland S. S. Co.* (1917) 243 U.S. 291, 299; *The Pennsylvania* (1873) 10 Wall. (86 U.S.) 125, 136; *States Steamship Co. v. Permanente Steamship Corp.* (9 Cir. 1956) 231 F.2d 82, 86-87). And it is irrelevant that the other ship involved may have committed serious, even gross, contributory

faults (*The Albert Dumois* (1900) 177 U.S. 240, 253; *Tank Barge Hygrade v. The Gatco New Jersey* (9 Cir. 1957) 250 F.2d 485, 487-488; *States Steamship Co. v. Permanente Steamship Corp.* (9 Cir. 1956) 231 F.2d 828).

Not only was the "Rotti" unable to establish that her faults could not have contributed to the collision, it is manifest that the violation of Rule 16 in fact did contribute to the collision. In speaking of a violation of Rule 16, the Supreme Court observed

"\* \* \* it is not possible in the administration of practical justice to avoid the conclusion that the effect of the wilful disobedience of this imperative and important statutory rule of law, which should have governed his conduct, continued as an effective force operating on the movement of his vessel to the instant of collision, driving her forward steadily, even though in the last moments slowly, to the fateful point of intersection of the courses of the two ships" (*Lie v. San Francisco & Portland S. S. Co.* (1917) 243 U.S. 291, 298).

The cases relied upon by appellant (App.Opn.Br., pp 15-16) are irrelevant. Appellant notes that in each of those cases a statutory fault was *claimed* against the exonerated vessel (App.Opn.Br., p. 15). However, appellant ignores the fact that in both cases, the Court held that no contributory fault was *established* (*The Umbria* (1897) 166 U.S. 404, 421; *The Ludvig Holberg* (1895) 157 U.S. 60, 67). Appellant has cited no case, and we are aware of none, in which the so-called "major-minor fault" rule has been applied when a violation of Rule 16 has been established.



### 3. There is no basis for proportional division of damages.

Appellant urges that damages should be divided in some "proportional" manner (App.Opn.Br., pp. 25-26). In so doing, appellant would have this Court overturn "the historic admiralty rule of divided damages in mutual fault collisions" which "for more than 100 years, has governed \* \* \* the correlative rights and duties of the two shipowners whose vessels have been involved in a collision in which both were at fault" (*Weyerhaeuser S. S. Co. v. U.S.* (1963) 372 U.S. 597, 600, 603). The Supreme Court has clearly stated the rule as it applies to this case:

"Where two vessels collide due to the fault of both, it is established admiralty doctrine that the mutual wrongdoers shall share equally the damages sustained by each. \* \* \* This maritime rule is of ancient origin and has been applied in many cases \* \* \*" (*Halcyon Lines v. Haenn Ship Corp.* (1952) 342 U.S. 282, 284).

In arguing against this long-established rule, appellant erroneously relies upon two district court cases (*N. M. Paterson & Sons, Limited v. City of Chicago* (N.D.Ill. 1962) 209 F.Supp. 576; *McKeel v. Schroeder* (N.D.Cal. 1963) 215 F.Supp. 756). In citing the *Paterson* case, appellant states that it was "reversed on other grounds" by the Court of Appeals for the Seventh Circuit (App. Opn.Br., p. 26). Appellant has failed to point out, however, that the Court of Appeals expressly disapproved the lower court's "misconception that the decisions declaratory of the admiralty rule of equal division of damages in mutual fault collisions use the term 'mutual fault' in the sense of 'equal fault' and so restrict its application"



(*N.M. Paterson & Sons, Limited v. City of Chicago* (7 Cir. 1963) 324 F.2d 254, 257). The Court of Appeals noted (324 F.2d 257) that the Supreme Court has expressly held that damages are to be divided equally when there is mutual fault "even though one of the vessels may have been much more in fault than the other" and "even though the fault on one side may be much greater than the fault on the other" (*The "Atlas"* (1876) 93 U.S. 302, 313, 314).<sup>8</sup>

Appellant's reliance on *McKeel v. Schroeder* (N.D.Cal. 1963) 215 F.Supp. 756 fares no better. That decision was based (215 F.Supp. 759-760) entirely upon the erroneous and discredited rationale of the lower court in the *Paterson* case.

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### III. REPLY TO APPELLANT'S MISCELLANEOUS CONTENTIONS.

At various points in its brief, appellant discusses what it asserts to be "several clear errors of the District Court as to navigational facts" (App.Opn.Br., p. 26). We agree with appellant that these points are "not essential to this appeal" (ibid., p. 26) and that "[n]one [of them] \* \* \* were of critical importance" (ibid., p. 11). Moreover, as the discussion which follows will show, these contentions are likewise without substance.

1. Appellant is highly critical of the District Court's finding that

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<sup>8</sup>This principle likewise has been long recognized in the Ninth Circuit:

"The law is well settled that when both vessels are in fault the damages are to be equally divided, irrespective of the degree of fault" (*The Marian* (9 Cir. 1933) 66 F.2d 354, 357, certiorari denied (1933) 290 U.S. 687).

“the Rotti’s first stop at 18:52 was ineffectual to slow her progress through the water, in light of her maneuvers to one-half and then full ahead one half minute later. The Rotti must have been going close to her original 12 knots at 18:54½, two and one-half minutes prior to the collision. Her maneuvers thereafter were not enough to stop her dead in the water at the time of impact” (Cl.Tr. 160).

There is ample evidentiary support for the District Court’s determination. Although the “Rotti”’s master, Captain Hoedemaker, testified that the “Rotti” was dead in the water, the testimony of the “Rotti”’s pilot, Captain Sever, was equivocal (see Rep.Tr. 209-212). And Captain Sever admitted that the “Rotti” was, in fact, moving “a little bit toward” the “Tuttle” at the time of the collision (Rep.Tr. 211, line 13). Moreover, appellee’s expert witness, Morris Guralnick, testified that, even giving the “Rotti” the benefit of the doubt (Rep.Tr. 320), she had a speed of at least 5 knots through the water (2 knots over the ground) at the time of the collision (Rep.Tr. 272).

Appellant levels various attacks upon the finding that the “Rotti” had headway at the time of the collision. It asserts first that the finding “probably was contributed to by the District Court’s acceptance of the physically false argument \* \* \* that there is no sideways component to the movement of a vessel through the water after the vessel is well into a turn” (App.Opn.Br., p. 27). However, contrary to appellant’s assertion, the record shows that there is in fact *no* substantial sideways movement to the motion of a vessel which is well into its turning

circle. Admiral Knight expressly states that a vessel in a continuous turn, after having passed through 90 degrees of that turn, thereafter “turns uniformly in a path which is practically a circle” (Cl.Tr. 155(c)). This circle is described by following the pivoting point of the ship. The bow of the vessel would be on the *inside* of the turning circle and the stern would be on the *outside* (Cl.Tr. 155(c)-155(d)). As Knight observes, “*it is the stern and not the bow of the ship that moves in turning*” (Cl.Tr. 155(d); emphasis in original).

The “Rotti” hit the bow of the “Tuttle” at an almost 90-degree angle and penetrated a substantial distance therein (Rep.Tr. 157, 212; Libelant’s Exh. 9). As Knight indicates, the bow of the “Tuttle” would have been moving away from the “Rotti.” This was confirmed by Captain Sever who admitted that the bow of the “Tuttle” was swinging to *its* starboard and *away* from the “Rotti” (Rep.Tr. 207-209).<sup>9</sup> It is therefore clear that the “Rotti” must have been moving toward the “Tuttle.” And, even though Captain Sever’s testimony was initially to the contrary (Rep.Tr. 209), he admitted that he did not check the backwash until *after* the impact (Rep.Tr. 210) and that the “Rotti” was, in fact, moving “a little bit toward” the “Tuttle” at the time of the collision (Rep. Tr. 211-212).

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<sup>9</sup>Captain Sever apparently attempted to explain this discrepancy in his testimony by asserting that the ebb tide brought the “Tuttle” “down on” the “Rotti” (Rep.Tr. 208, lines 18-20; 226, line 14, to 227, line 3). He thus erred in failing to recognize that the tide affected both ships equally and was irrelevant in determining the relative motion of each ship to the other (Rep.Tr. 289-290, Griffin. The American Law of Collision, 1949, sec. 255, p. 582, quoted *supra*, p. 2, Ftn. 1).

2. Appellant criticizes (App.Opn.Br., p. 28) the District Court for having “accepted” the testimony of an expert witness “as against” the testimony of the “Rotti” witnesses. Appellant ignores the fact that, as shown in the preceding paragraphs, the testimony of Captain Sever and fact supports the court’s conclusion regarding the forward motion of the “Rotti.”<sup>10</sup>

3. Appellant also asserts that Mr. Guralnick’s testimony in some way supports its contentions (see App.Opn.Br., pp. 27-28). Thus, appellant argues

“\* \* \* [E]xpert Guralnick himself testified that a vessel such as the ‘Rotti’ proceeding at the ‘Rotti’s’ 60 rpm or 12 knots could be brought to a stop in the water through working her engines full astern for 1½ or 2 minutes (R.T. 308) while the record shows (Lib. Exh. 2) that the ‘Rotti’ worked her engines full astern for a full two minutes during the relevant period \* \* \*” (App.Opn.Br., pp. 27-28).

Appellant’s statement is ambiguous and its argument is incorrect. The record does *not* show that the “Rotti” worked its engines full astern for two minutes *in succession* prior to the collision. The first full astern was ordered some time between 1854 and 1855. This order was revoked at 1855 when Captain Sever put the “Rotti” on stop.” The next full astern was ordered at 1856 and the

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<sup>10</sup>In this regard, the testimony of W. D. McClean and Scott B. Wilkes (see App.Opn.Br., p. 3) is of no assistance to appellant. Captain McClean acknowledged that he was not watching his radar in the last minutes prior to the collision (Rep.Tr. 122). And Lieutenant Wilkes testified that he could not estimate the speed of either vessel, other than that they both slowed down some, prior to the collision (Rep.Tr. 135).



collision occurred at 1857. Mr. Guralnick pointed out that:

“It takes a fair amount of time before the propeller takes hold. So that at the time the signal [for ‘full astern’] is given, the speed drops off gradually” (Rep.Tr. 305, lines 21-23).

Since the full astern order between 1854 and 1855 was promptly revoked, the “Rotti” plainly did not have time to effectively slow down. The maximum time of the second full astern was likewise one minute. Therefore, there is ample support for the finding that the “Rotti”’s maneuvers between 1852 and 1857 were not sufficient to bring the “Rotti” to a stop through the water.

Appellant’s argument (App.Opn.Br., p. 28) in relation to average and terminal speeds is not clear. It is sufficient to point out that Mr. Guralnick testified that any possible difference in relation to calculations based on average or terminal speeds would be, at most, one-half of a knot (Rep.Tr. 304-305). And he reaffirmed his conclusion that the “Rotti” had substantial forward movement at the time of the impact (Rep.Tr. 308, lines 14-24; 308A, lines 11-15; 311, line 23, to 312, line 5).

4. Appellant seeks to raise an “adverse presumption” from the absence of “Tuttle” witnesses (App.Opn.Br., pp. 7, 28-29). However, since the “Tuttle” admitted fault (Rep.Tr. 5; Cl.Tr. 88), the only question at issue was the navigation of the “Rotti.” As above shown, the testimony of the “Rotti”’s pilot supports the court’s findings.

5. Appellant refers to certain of the court’s findings as “garbled and inaccurate” (App.Opn.Br., p. 26). Thus,



appellant argues (App.Opn.Br., pp. 7-8) that the “Rotti” proceeded on full ahead only when her radar indicated that the “Tuttle” was proceeding in a southerly direction rather than, as the court found, “westerly on the south side of the channel” (Cl.Tr. 179). Appellant fails to note, however, that the “Rotti” erroneously *assumed* that the “Tuttle” was proceeding solely in a southerly direction. Captain Hoedemaker admitted that the “Rotti”’s radar would not show the heading of an object or whether a vessel was in a continuous swing as opposed to several unrelated changes of course (Rep.Tr. 51, 59).

Appellant also asserts that at 1854½ the “Tuttle” “was seen simply to have stopped her progress to the south” (App.Opn.Br., p. 8) and not to be, as the court found, “turning back into the channel” (Cl.Tr. 179). The evidence is clear, however, that at 1854½ the relative bearing of the “Tuttle” began to decrease (Rep.Tr. 86, 199-200). This meant, as the “Rotti”’s radar officer testified, that the “Tuttle” had turned back toward the “Rotti” (Rep.Tr. 86-87)—and therefore toward the channel. The “Tuttle”’s distance was approximately 1.2 miles, and its bearing was only 15 degrees relative off the bow of the “Rotti” (Rep.Tr. 86, 198-200). It was at this time (1855) that Captain Sever went from full astern to stop (Rep.Tr. 200-201). Captain Hoedemaker stated that it was assumed that the “Tuttle” would proceed on a course parallel to the “Rotti” (Rep.Tr. 30, 54), despite the fact that it is impossible to tell the heading of an object from the “Rotti”’s radar (Rep.Tr. 51) and despite the fact that the distance and bearing of the “Tuttle” continuously decreased (Rep.Tr. 64-65, 66-67, 86-88, 202). Cap-

tain Sever admitted that he "didn't know" what the "Tuttle" was going to do (Rep.Tr. 224, lines 5-7) and that he had decided to "wait and see what's going to happen" (Rep.Tr. 201, line 25, to 202, line 1). It was not until shortly before the "Tuttle" loomed out of the fog a short distance from the "Rotti" that Captain Sever ordered a full astern (Rep.Tr. 205, 207-208, 214). It was then too late to prevent the collision.

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### CONCLUSION

For the foregoing reasons, we respectfully submit that the decree appealed from should be affirmed.

Respectfully submitted,

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### CERTIFICATE OF COUNSEL

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

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No. 22,050

IN THE

United States Court of Appeals  
For the Ninth Circuit

N. V. STOOMVAART MAATSCHAPPIJ

“NEDERLAND”,

*Appellant,*

VS.

STANDARD OIL COMPANY OF CALIFORNIA,

*Appellee.*

APPELLANT'S REPLY BRIEF

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FILED

FEB 15 1958

FEB 14 1958

WM. B. LUCK, CLERK



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No. 22,050

IN THE

# United States Court of Appeals For the Ninth Circuit

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J. V. STOOMVAART MAATSCHAPPIJ

“NEDERLAND”,

*Appellant,*

vs.

STANDARD OIL COMPANY OF CALIFORNIA,

*Appellee.*

## APPELLANT'S REPLY BRIEF

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### ARGUMENT

THE TRIAL COURT'S CONCLUSION THAT THERE WAS CONTRIBUTORY FAULT ON THE PART OF THE "ROTTI" WAS BASED ON ITS CONCLUSION THAT THE "MAJOR-MINOR FAULT" RULE WAS INAPPLICABLE AS A MATTER OF LAW. THIS COURT ACCORDINGLY SHOULD REVIEW THESE RELATED CONCLUSIONS INDEPENDENTLY AND IN SUCH REVIEW IT IS NOT BOUND BY THE "CLEARLY ERRONEOUS" RULE (Answering Argument I, Appellee's Br., pp. 7-8).

The Appellee did not present any material witnesses of its own. There, accordingly, is no conflict in the evidence as to the relevant navigational facts and, except as discussed below, there is no dispute as to the facts. The primary question presented by the appeal is whether the trial court applied the proper standard in holding that there was contributory fault on the part of the "Rotti" despite the concededly gross fault on the part of the "Tuttle". Although a finding of negligence is nor-

inally treated, in this Circuit, as a factual question, the matter of the standard applied involves a conclusion of law. *Rederi A/B Soya v. SS Grand Grace* (9 Cir. 1966) 369 F.2d 159, 163, but in this case even if the conclusion of fault be treated as a factual matter, it is respectfully submitted that this Court on review will be left with the conviction that the trial court's conclusion was clearly erroneous, within the most stringent application of the rule of *McAllister v. United States* (1954) 348 U.S. 19.

It is evident that the trial court accept Appellee' urging that the statement in *Union S.S. Co. of New Zealand Ltd. v. Standard Oil Co. of California* (W.L. Wash. 1945) 60 F.Supp. 538 (C.T. 88) [to the effect that one vessel having admitted fault, the sole question for consideration is whether the other vessel was at fault] justified it in rejecting the American "major-minor fault" rule, which has consistently been stated by the United States Supreme Court, and in consequence, erroneously, applied a standard which in effect cast upon the "Rotti" the improper burden of proving the reasonableness of her own conduct.

2. APPELLEE'S BRIEF IN THIS COURT CONTINUES THE MISLEADING PRACTICE, SUCCESSFUL FOR IT IN THE TRIAL COURT, OF CITING RULE 16(b) CASES AS CLAIMING SUPPORT FOR ITS DEFINITION OF "MODERATE SPEED" UNDER RULE 16(a). (Answering Argument IA, Appellee's Brief, pp. 9-14).

Rule 16(b) (33 USC §145n(b)) stated the mandatory non-discretionary requirement that:

“(b) A power-driven vessel hearing, apparently for  
ward of her beam, the fog-signal of a vessel the po

sition of which is not ascertained, shall, so far as the circumstances of the case admit, *stop her engines, and then navigate with caution* until danger of collision is over.” (Emphasis supplied).

This is as distinguished from the general requirement of Rule 16 (a) that a vessel proceeding in fog shall “go at moderate speed” (33 USC §145n(a), Appendix II, Appellant’s Opening Brief). The distinction between the two rules was clearly stated in *Lie v. San Francisco & Portland SS Co.* (1917) 243 U.S. 291, 296:

“The most cursory reader of this rule must see that while the first paragraph [16(a)] of it gives to the navigator, discretion as to what shall be ‘moderate speed’ in a fog, the command of the second paragraph [16(b)] is imperative . . . .”

f which Appellee was made aware before the trial court (C.T. 173) and before this court (Appellant’s Opening Brief, 14-15).

Appellee nonetheless persists in urging upon this court, as it did upon the trial court, cases which in true fact are concerned with application of the requirement under Rule 16 (b) that a vessel falling within the rule must “stop her engines, and then navigate with caution” as if such cases were determinative of Rule 16 (a)’s “moderate speed” which the Supreme Court in *Lie* confirmed as necessarily largely left to the navigator’s discretion.

Each of the eight cases cited on pages 8 and 9 of Appellee’s brief actually involved a Rule 16 (b) factual situation where the navigation the court was considering occurred after the vessel found at fault had heard, or should have heard, a fog signal forward of her beam.



This is so, even of *The Silver Palm* (9 Cir. 1937) 94 F.2d 754, 759 whose name Appellee uses to dignify its otherwise unsupported contention that moderate speed under 16 (a) requires that a vessel, without exception, be able to stop within one-half the range of visibility.

We submit that Appellee's contention as to the "half sight rule", although accepted by the trial court, has never been the law in this, or any circuit, and that when Appellee presses the contention to the point, as it does of urging that the information available through an alertly manned radar is not a "circumstance" under 16 (a) which the navigator may consider (and which the court must consider in judging the navigator's conduct) the contention falls directly afoul of this court's holding in *The Beaver* (9 Cir. 1918) 253 F. 312, 315. Similarly Appellee's use of *Afran Transport Company v. The Bergechief* (S.D.N.Y. 1959) 170 F. Supp. 893, *aff'd* (2 Cir. 1960) 274 F. 2d 469 (a case dealing with the mandatory requirement under Rule 16(b) to stop engines after hearing a fog signal) as if it might validly be read as dealing with the relationship of radar to the determination of "moderate speed" under Rule 16(a), [Appellee's Br. pp. 11, 12] requires that this court be acutely alert to verbal distinctions of a higher than ordinary level of sophistication.

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**3. APPELLEE'S ATTEMPT TO DISTINGUISH THE ANALOGOUS "GEORGE N. SEGER/WAIPAWA" IS WITHOUT SUBSTANCE (Answering Argument IB1, Appellee's Br., pp. 15-16).**

Appellee suggests at page 16 of its brief that Judge Learned Hand's opinion in *United States v. Shaw, Saville & Albion Co.* (2 Cir. 1949) 178 F.2d 849, is not



analogous because there was no evidence from which the "Waipawa" could have determined that the other vessel had altered its course toward her. In fact, as is discussed at page 851 of the official report:

"... changes in The Seger's course could be detected only by variations of the distance between the range lights. The after light was at least fifteen feet above the forward one, and if the mast [sic] were a hundred feet apart, at the distance of a quarter of a mile they would have been only two or three degrees apart. We are not prepared to hold that it is evidence of an insufficient watch not to detect variations in so small an angle, and that was all that could advise The Waipawa of The Seger's edging in upon her course."

which, at page 852 of the official report, Judge Hand further elucidated:

"... as we have already said, The Seger had an unusually heavy burden of proof, and she did not call any witnesses to show that the bank of city lights did not have the effect which The Waipawa's witnesses said that it did."

While the "Rotti's" radar disclosed the relative movement of the "J. H. Tuttle" through the water, the radar would not, on a usual observation, disclose the actual heading of the "Tuttle". Thus the "pip" of the "Tuttle" as observed on the "Rotti's" radar is in the same situation as the angle of the range lights of the "George N. Seger" as observed by the "Waipawa", and the analogy of the two cases remains as perfect and complete as can be found in the books. [The fact that the *Seger/Waipawa* case is a night-time collision, but not involving fog, points

up the fact that the fog in the present case is in reality more a diverting circumstance than a cause of the collision, which would have resulted from the "Tuttle's" U-turn back into the thoroughfare, regardless of the weather conditions.]

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4. APPELLEE CONCEDES THAT THE TRIAL COURT [ERRONEOUSLY] HAS IMPOSED STATUTORY DUTIES ON THE "ROTTI", EVEN THOUGH NOT EFFECTIVE AS LAW AT THE TIME OF THE COLLISION (Answering Argument IB2 Appellee's Br., pp. 8-20).

Rule 16 (c) and the Radar Annex to the rules (Appendix II to Appellant's Opening Brief) were not in effect at the time of the collision. The annex, which does not purport to establish arbitrary conventions or rules of the road, was widely distributed several years before the collision and regarded by mariners as a guide to good seamanship in the use of radar (C.T. 175). It, and the fact of adoption of Rule 16 (c), were referred to by both parties during the conduct of the trial. Appellant appended a copy of the annex to its trial memorandum (C.T. 130) and the opening remarks of Appellant's counsel on the subject, to which Appellee refers in its briefs, were (R.T. 11-12):

"I concur in the comments concerning what are sometimes called the radar amendments to the rules. The primary effect of the radar amendments, that is, amendments to Rule 16(a), and the addition of the annex to the rules, a copy of which is attached to the ROTTI's trial memo, is to make express in the statute that which virtually all courts had come to recognize as the—as a proper matter in any event, and that is that in construing and applying

Rule 16(a) and the determination of what is a moderate speed and what is caution, the fact of the radar information and of the use of radar is a circumstance to be considered. And when determining moderate speed, the fact that a vessel does have radar information available will, in most circumstances, justify a somewhat higher speed than would be the case for a ship without radar. On the other hand, as the annex points out, there are some situations, and this is not one of them, where radar information would require a lower speed. For example, where radar discloses the presence of small boats which would not have been known to a ship without radar.”

Appellant, under the governing law, was not required to, and did not attempt to brief Rule 16 (c), its statutory history or its proper construction insofar as it stated operative duties in the nature of rules of the road. The trial court nonetheless applied it as if it were a statute in effect which Appellant had breached (although this was not an issue in the case) imposing upon Appellant the burden under the *Pennsylvania* (1873) 19 Wall. (86 U.S. 125), of proving that its actions not only did not contribute to the collision but could not have contributed to the collision.

As Appellee states (Appellee’s Br. p. 20):

“Thus, the District Court first determined that Rule 16 (c) imposed a duty to remain at stop until the risks of collision were over.”

In making this concession, Appellee finally gives recognition to the fact that its urging of *Afran Transport Company v. The Bergechief* (S.D.N.Y. 1959) 170 F. Supp. 93, *aff’d* (2 Cir. 1960) 274 F.2d 469 involving a Rule

16 (b) factual situation, accepted by the trial court as guide for judging the moderateness of the “Rotti’s” speed in this Rule 16 (a) case, was an error which Appellee cannot defend before this Court.

As a matter of fact, the “Rotti” met the requirement of Rule 16 (c); her engines were on “stop” or on “full astern” at all times that there was “risk of collision” i.e., at all times except those times when the “Tuttle’s” course was carrying her to pass clear or carrying her away from the channel [Rule 16 (c) is not to be read as requiring radar-equipped vessels proceeding in or out of the San Francisco main ship channel to “stop” when observing another vessel on radar].

The point, however, is that the “Rule 16 (c) case” is not the case which was tried, the Rule was not law, and it was error for the trial court to accept Appellee’s urging that the imperative arbitrary mandates of Rule 16 (c) not in effect as law, be treated in the same manner as the imperative mandates of Rule 16 (b), which was law but which was not violated by the “Rotti”.

---

**5. APPELLEE’S SUPPORT OF THE TRIAL COURT’S REFUSAL TO APPLY THE “MAJOR-MINOR FAULT” RULE TO THE “ROTTI” IS WITHOUT LEGAL BASIS (Answering Appellee’s Argument IIA, Appellee’s Br., pp. 21, 22).**

Appellee’s brief at page 21 clearly discloses the structure of the case it urged upon the trial court, which was accepted by the trial court, and correspondingly discloses the basic error of that structure.

Although a Rule 16(b) factual situation was not presented, and there was no violation of Rule 16(b) by the



"Rotti", Appellee urged upon the Court and the trial court accepted, language from cases dealing with Rule 16(b) factual situations as support for its contention that there had been a violation of Rule 16(a), which was then further bootstrapped into the category of a statutory violation, to deprive the "Rotti" of application of the "major-minor fault" rule.

The unfair and misleading nature of Appellee's approach, as well as the error of the trial court's conclusion, is perfectly demonstrated at page 22 of Appellee's brief where Appellee quotes language from *Lie v. San Francisco & Portland SS Co.* (1917) 243 U.S. 291, 298 as purported support for Appellee's proposition that a violation of Rule 16 in fact did contribute to the collision." The unfair inappropriateness of Appellee's argument and of its citation of the *Lie* case is subtle, and becomes manifest only when it is pointed out that the language which Appellee quotes deals directly with a violation of Rule 16(b) and that the Supreme Court in the *Lie* case itself took pains to declare the major difference in nature between the imperative instructions of Rule 16(b), with which it was there dealing, and the moderate speed requirement of Rule 16(a) stating, it gives to the navigator discretion as to what shall be moderate speed' in a fog . . .".



## 6. INACCURACIES IN APPELLEE'S BRIEF WHICH MAY MISLEAD THE COURT.

- A. The "Rotti" went on full astern at 1856 immediately when the radar first indicated the "Tuttle" was turning back into the channel.**

Appellee in its "Statement of the Case" and elsewhere in its brief makes numerous references to the deposition testimony of Second Officer Planken (R.T. 59-90) who was serving as radar observer, and his description of the changes of the radar pip representing the "Tuttle" from  $86^{\circ}$  True to  $81^{\circ}$ , the bearing at the moment of collision (R.T. 67), as an indication that the "Rotti" was sluggish in responding to radar information that the "Tuttle" had started to turn back into the channel. Appellee fails to mention the fact, necessary for a proper appreciation of Mr. Planken's testimony, that Mr. Planken was stationed at the radar with no other duties and completely surrounded by a black curtain (R.T. 61) in accordance with good practice to avoid distraction and the interference of daylight; the necessary corollary, however, is that Mr. Planken had no knowledge of the times relative to the radar sightings he reported, at which the "Rotti" changed engine speeds etc. The black curtain, however, was such that Pilot Sever could, without interfering with Second Officer Planken, make personal intermittent observations of the radar screen, as he did when, for example, Pilot Sever saw the "Tuttle" hovering outside of the channel south of buoy 6 and gave the 1854 "full astern" order (R.T. 200, 19-24). The significant testimony and the only testimony which is effective to relate Second Officer Planken's detailed testimony of his radar observations with the engine orders given by Pilot Sever is Planken's testimony (R.T. 87-89) that when the bearing

the "Tuttle" pip began to reduce from 86°, he called out the changes immediately recognizing that the "Tuttle" had started to come back into the channel, in conjunction with Pilot Sever's testimony that when Second Officer Ranken said "the target is now coming back into the channel", Pilot Sever gave the 1856 full speed astern order (R.T. p. 204, line 22-p. 205, line 4).

**Appellee, and the trial court, overstate the claimed greater validity of measuring speed "through the water" as against "over the ground".**

Appellee's brief (page 2, n. 1) in support of its contention that speed "through the water" is the only speed which matters, quotes the first half of a sentence which appears on page 582 of *Griffin on Collision*, the second half of which reads "if one of them is at anchor and therefore unaffected by the current, while the other is navigating, the latter's speed *over the ground* is the important thing." (Emphasis in original). In the present case, the navigation of the vessels was not only with respect to each other, but also was (so far as the "Rotti" was concerned, and should have been, so far as the "Tuttle" was concerned) with respect to a permanent channel marked by fixed buoys, damaging which is constituted a crime by the statutes of the United States (33 U.S.C. §§408, 411). After the collision, the "Rotti" was drifting westerly out of the channel, and Pilot Sever had to order "full ahead" to avoid contact with buoy No. 4 (R.T. 213, 217, 218). In such circumstances, speed "over the ground" cannot be deemed an irrelevance. There is also considerable practical validity to the observation of the District Court for the Northern District of California

in *The Walter A. Luckenbach* (N.D. Cal. 1924) 4 F.2d 505, *aff'd* (9 Cir. 1926) 14 F.2d 100:

"Speed with the current is more culpable than speed against it, in that the ship in the latter situation is capable of better control and quicker stop and steering in its approach to the other ship; the vital factor being speed of approach, whether through water or over the ground, by power or mere drift. A ship adrift in the current, like an auto down grade, must apply brakes—reverse the propellers." (4 F.2d at 55)

- C. Appellee's contention that any forward motion, even the slightest, of the "Rotti" would connote a violation of the "half-sight rule" is false as a matter of navigational physics and tends to mislead this court, as it did the trial court.**

At pages 2 and 27 of its brief, Appellee urges that any forward movement of the "Rotti" through the water at the time of collision would necessarily connote violation by the "Rotti" of the so-called "half-sight rule" (which "rule" itself Appellant discusses in Section 2 above). We believe the record is clear that the "Rotti" had no appreciable headway at the time of collision (R.T. 205) and we suggest that the "Rotti" should be permitted some slight headway through the water in view of the fact that at any speed of less than  $3\frac{1}{2}$  knots through the water she in fact would have been drifting backwards from the channel buoys which, under 33 USC §§408, 411, it was a criminal offense for her to hit.

Essentially, though, Appellee's assertion is wholly without foundation, and in fact is contrary to navigational mechanics. *Griffin on Collision*, at page 292, and the sketch appearing at R.T. 155, each demonstrate what logic confirms, i.e., that a vessel proceeding so slowly that she can stop within half her range of visibility, and

reversing her engines on first sighting another vessel through the fog, can still have some forward headway at the time of collision, if the relative speed, and angle, of the other vessel is such that it has used up more than its equitable half of the range of visibility by the time of collision.

There is no testimony of any material witness that the "Rotti" had used up her half of the range of visibility; conversely, Appellee's failure to produce any "Tuttle" witnesses raises a persuasive presumption that the "Tuttle" preempted more than her share.

**Appellee's continued misdescription of the path of a turning vessel through the water tends to mislead the Court.**

At pages 25 and 26 of its brief, Appellant continues to allege, as it did before the trial court, that the motion of the "Tuttle" through the water in a hard starboard turn would not serve to impale the "Tuttle" on the "Rotti's" bow (assuming the "Rotti" to be motionless in still water). Appellee suggests at page 26 of its brief that this result follows from the fact that the bow of a turning vessel remains on the inside of the turning circle which is described by its midship pivot point. The fact of the matter is, as the reproductions from the diagrams in *Night on Seamanship* (C.T. 155-c, 155-e), clearly demonstrate, that to the extent that the bow of the turning vessel is inside of its turning circle, the vessel's movement through the water is sideways and without the application of any other force, sufficient to impale its side on any stationary object or vessel that may be standing within the ambit of its turning circle. At the trial, Appellant's counsel expressed (R.T. 476) his belief in the



good faith of Appellee's trial counsel's failure to understand a ship's turning circle; the persistence of Appellee in this argument, after ample opportunity to study the subject, strains the limits of fair advocacy.

---

### CONCLUSION

For the foregoing reasons, and for the reasons stated in Appellant's opening brief, it is respectfully submitted that that portion of the interlocutory judgment of the District Court holding the "Rotti" in mutual fault must be reversed, with instructions to enter an interlocutory judgment decreeing sole fault against appellee.

Dated: February 14, 1968

Respectfully submitted,

GRAHAM & JAMES

FRANCIS L. TETREAULT

JOHN A. EDGINTON

*Attorneys for Appellant*

*N. V. Stoomvaart Maatschappij*

*"Nederland"*

---

### CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

FRANCIS L. TETREAULT



NO. 22051 ✓

IN THE UNITED STATES COURT OF APPEALS  
NINTH CIRCUIT

TERRANCE I. POSTON, a citizen  
of Alaska,

Plaintiff-Appellant,

vs.

THE UNITED STATES OF AMERICA,  
HAWAIIAN ELECTRIC COMPANY, INC.,  
an Hawaiian corporation, and  
GEORGE OKANO ELECTRICAL SERVICE,  
LTD., an Hawaiian corporation,

Defendants-Appellees.

BRIEF OF CROSS-APPELLEE

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Honolulu, Hawaii

Attorney for Defendant  
Cross-Appellee George Okano  
Electrical Service, Ltd.

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The Uniform Contribution Among Tortfeasors Act  
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Federal Rules of Civil Procedure  
Rule 54(b) . . . . . 4,5

Text

18 Am.Jur., Contribution  
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## JURISDICTION

This is an action for damages for personal injuries brought by the plaintiff, Terrance I. Poston. The action was filed on January 26, 1965, in the United States District Court for the District of Hawaii against the defendants The United States of America, Hawaiian Electric Company, Inc., a Hawaii corporation (hereinafter called Hawaiian Electric), and George Okano Electrical Service, Ltd., a Hawaii corporation (hereinafter called Okano) (R.O.A. 2-19). Plaintiff is a citizen of the State of Alaska (Tr. 139-40).

The amount in controversy exceeded the sum of \$10,000 exclusive of interest and costs. The United States District Court for the District of Hawaii had jurisdiction on the basis of diversity of citizenship (28 U.S.C.A. §1332) and the Federal Tort Claims Act (28 U.S.C.A. §§1346(b), 2671, et seq.).

Defendant Hawaiian Electric, having filed notice thereof on February 24, 1967 (R.O.A. 191), cross-appealed from the order directing a verdict for defendant Okano and against Hawaiian Electric on Hawaiian



Electric's cross-claim.

The United States Court of Appeals for the Ninth Circuit has jurisdiction under 28 U.S.C.A. 1291.

QUESTION PRESENTED

The basic question presented by the cross-appeal of Hawaiian Electric is whether this court should finally dispose of Hawaiian Electric's cross-claim against Okano, if there is a reversal of the directed verdict granted Hawaiian Electric by the court below, or whether that cross-claim should under those circumstances continue to remain in existence forcing Okano to again participate in the trial court if remand is allowed.

Okano admits that if this court should reverse both Okano and Hawaiian Electric on the verdicts directed against Poston below, then Hawaiian Electric's cross-claim for contribution should stand. If both verdicts against Poston are affirmed, this appeal is moot.

Therefore, this brief only addresses itself

REIGN OF KING CHARLES THE FIRST  
IN THE YEAR OF HIS REIGN 1649.

CHAPTER XXXV.

OF THE DEATH OF KING CHARLES THE FIRST.

THE KING, who had been confined in the Tower of London, was removed to the Palace of Whitehall, and there he lay till the 30th of January 1649, when he was beheaded by order of the Commons.

His body was afterwards buried in St. Dunstons Church, and his head was set upon a pole at the execution.

THE KING'S DEATH was the signal for the abolition of the monarchy, and the establishment of a commonwealth.

THE END OF THE FIRST PART.

1649.

THE SECOND PART OF THE HISTORY OF THE REIGN OF KING CHARLES THE FIRST.

OF THE DEATH OF KING CHARLES THE FIRST, AND THE ESTABLISHMENT OF A COMMONWEALTH.

THE COMMONS, who had declared the King to be a tyrant, and had taken possession of the government, were now divided into two parties, the one for the preservation of the monarchy, and the other for the abolition of it.

1649.

THE HISTORY OF THE REIGN OF KING CHARLES THE FIRST.



to the situation where this court affirms the directed verdict for Okano against Poston and reverses the directed verdict for Hawaiian Electric against Poston.

### ARGUMENT

The trial court was correct in ordering that a verdict be entered for defendant Okano and against defendant Hawaiian Electric in respect to the latter's cross-claim against Okano for contribution as

a. The cross-claim was not moot and required decision by the court when the motion for directed verdict was made by Okano.

b. No evidence had been offered to show that Okano was a joint tortfeasor.

The trial court's verdict as to the cross-claim was a final judgment for purposes of appeal and therefore Hawaiian Electric's cross-appeal is not premature and must be decided at this time by the court.

If this court reverses the order of the trial court entering a directed verdict in favor of Hawaiian Electric against Poston, the trial court's order of a



directed verdict for Okano on Hawaiian Electric's cross-claim should still be affirmed.

I

TRIAL COURT'S ORDER DIRECTING A VERDICT  
FOR OKANO ON HAWAIIAN ELECTRIC'S CROSS-CLAIM IS FINAL

Hawaiian Electric's contention that the directed verdict on its cross-claim in favor of Okano was made moot by the directed verdict rendered in its favor as to the claims of Poston is without merit.

The trial court's act in granting Okano's motion for a directed verdict in respect to the cross-claim on January 18, 1967 followed by the signing of a written order to that effect on January 25, 1967 with judgment pursuant to these orders entered by the clerk constituted a final judgment for purposes of appeal.

Since all parties had rested and all evidence was in when Okano moved for a directed verdict on the cross-claim on January 18, 1967, it is Okano's contention that Rule 54(b) of the Federal Rules of Civil Procedure has no application in this situation.

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However, assuming that said rule does apply and assuming that the trial judge made no express determination on January 18, 1967 pursuant thereto, the entering of the order was final nonetheless. Absent the express determination under Rule 54(b) "that there is no just reason for delay and upon an express direction for the entry of judgment," it has been held that the judge's silence will be treated "as the equivalent of . . . an explicit reservation; in failing to utter a determination, he is deemed to have made his order subject to his own recall at any time before the end of the entire litigation . . . ." (emphasis added). Republic of China v. American Express Co., 190 F.2d 334, 338, 339 (2nd Cir. 1951) Unless the trial judge acts specifically to recall the prior order, at the end of the entire litigation the entry of judgment is final and appealable. In the instant case, the date of the "end of the entire litigation" and the date of the written order of the directed verdict for Okano were the same, January 25, 1967. No specific recall or amendment to the July 18, 1967 order was made by the trial judge, and he obviously intended none as evidenced by his signing the written order on



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January 25, 1967.

Thompson v. Trent Maritime Company, Ltd., 343 F.2d 200 (3rd Cir. 1965) is cited by Hawaiian Electric to support its contention that its cross-claim against Okano was moot when the trial judge signed the written order because he had by then granted Hawaiian Electric's oral motion for directed verdict against Poston.

Thompson held that a jury verdict in favor of a third-party defendant was not final and appealable until final judgment as to all parties was entered to avoid piecemeal litigation.

Here final judgment as to all parties has been entered and the Thompson case clearly supports Okano's position because a failure by this court to consider the validity of the cross-claim would definitely result in such piecemeal litigation.

## II

IF OKANO'S DIRECTED VERDICT AGAINST POSTON IS AFFIRMED  
HAWAIIAN ELECTRIC HAS NO CAUSE OF ACTION AGAINST OKANO.



Hawaiian Electric's cross-claim filed March 24, 1965 contains no allegation that plaintiff's alleged injuries were the result of Okano's negligence, but simply states in paragraph 20 thereof that "if it be determined that he is entitled to recover from any party, said right of recovery is against either or both of the defendants other than this defendant." The cross-claim does, however, contain a prayer for determination of relative degree of fault in the event Okano and Hawaiian Electric are found to be joint tortfeasors.

Assuming that the cross-claim states a cause of action as to Okano for contribution, this claim cannot continue to exist if this court affirms the verdict for Okano against Poston on the merits. If Poston has no claim against Okano, Hawaiian Electric cannot have a claim for contribution against Okano.

The Revised Laws of Hawaii 1955 in Chapter 246, The Uniform Contribution Among Tortfeasors Act defines joint tortfeasors as follows:

§246-10 Joint tortfeasor defined. For the purpose of this part of the term "joint tortfeasor"

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means two or more persons jointly or severally liable in tort for the same injury to person or property, . . . .

18 Am.Jur., Contribution §49, page 71

As a general proposition, a person compelled to discharge a liability for a tort cannot recover contribution from another whose participation therein gave the injured person no cause of action against him,

In construing this principle in Hawaii, the District Court in Oahu Ry. and Land Co. v. U. S., 73 F.Supp 707 (D.C. Hawaii 1947) held:

. . . the Act (Joint Tortfeasors Act) is only applicable to a situation where there is a common liability to an injured person in tort. Such liability may be joint or several, but there can be no contribution where the injured person has no right of action against the third party defendant. The right of contribution is a derivative right and not a new cause of action. (citing with approval Baltimore Transit Co. v. State, 183 Md. 674, 39 A.2d 858, 860, 861, (1944)).

Therefore, Hawaiian Electric's claim for contribution from Okano is dependent upon Okano's liability to Poston. Absent such liability, there is no ground for the cross-claim which gives rise to the present appeal.



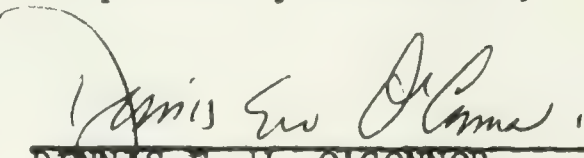
### CONCLUSION

The trial court's directed verdict for Okano against Hawaiian Electric on its cross-claim was final and the appeal taken from that final judgment must be decided by this court in conjunction with Poston's appeal on the merits.

Since no evidence was introduced to support the cross-claim, if this court reverses the verdict for Hawaiian Electric against Poston, the verdict below for Okano against Hawaiian Electric on the cross-claim should be affirmed.

DATED: Honolulu, Hawaii, September 22, 1967.

Respectfully submitted,

  
DENNIS E. W. O'CONNOR  
Ninth Floor, 333 Queen Street  
Honolulu, Hawaii

ROBERTSON, CASTLE & ANTHONY  
Of Counsel

Attorney for George Okano  
Electrical Service, Ltd.

## APPENDIX

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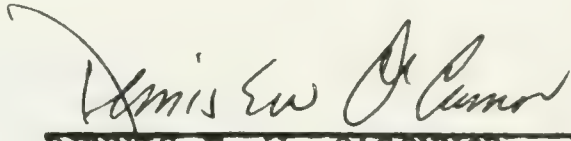
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CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

  
DENNIS E. W. O'CONNOR



# MEMORANDUM

TO : THE PRESIDENT

FROM : THE SECRETARY OF DEFENSE

SUBJECT: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

[Illegible signature]

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NO. 22051

IN THE UNITED STATES COURT OF APPEALS

NINTH CIRCUIT

TERRANCE I. POSTON, a citizen  
of Alaska,

Plaintiff-Appellant,

vs.

THE UNITED STATES OF AMERICA,  
HAWAIIAN ELECTRIC COMPANY, INC.,  
an Hawaiian corporation, and  
GEORGE OKANO ELECTRICAL SERVICE,  
LTD., an Hawaiian corporation,

Defendants-Appellees.

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BRIEF OF CROSS-APPELLANT

Of Counsel:

ANDERSON, WRENN & JENKS

RICHARD E. STIFEL  
Bank of Hawaii Building  
Honolulu, Hawaii

Attorney for Defendant  
Cross-Appellant Hawaiian  
Electric Company, Inc.



## EXPLANATION OF SYMBOLS AND REFERENCES

Whenever a reference is made to the Clerk's Certified Record on Appeal, it is shown as R.O.A.

Reference to the transcripts of proceedings and testimony are shown as Tr.

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## JURISDICTION

This is an action for damages for personal injuries brought by the plaintiff, Terrance I. Poston. The action was filed on January 26, 1965, in the United States District Court for the District of Hawaii against the defendants The United States of America, Hawaiian Electric Company, Inc., a Hawaii corporation (hereinafter called Hawaiian Electric), and George Okano Electrical Service, Ltd., a Hawaii corporation (hereinafter called Okano) (R.O.A. 2-19). The plaintiff is a citizen of the State of Alaska (Tr. 139-40).

The amount in controversy exceeded the sum of \$10,000 exclusive of interest and costs. The United States District Court for the District of Hawaii had jurisdiction on the basis of diversity of citizenship (28 U.S.C.A. § 1332) and the Federal Tort Claims Act (28 U.S.C.A. §§ 1346(b), 2671, et seq.).

On March 25, 1965, Hawaiian Electric filed an answer to plaintiff's complaint and a cross-claim against United States. The cross-claim contained a prayer that if it be determined that Hawaiian Electric and either or both of the other defendants were joint tort-feasors,

## Appendix

The following table shows the results of the survey.

The first column shows the number of respondents who answered each question. The second column shows the percentage of respondents who answered each question. The third column shows the number of respondents who answered each question correctly. The fourth column shows the percentage of respondents who answered each question correctly. The fifth column shows the number of respondents who answered each question incorrectly. The sixth column shows the percentage of respondents who answered each question incorrectly.

The following table shows the results of the survey. The first column shows the number of respondents who answered each question. The second column shows the percentage of respondents who answered each question. The third column shows the number of respondents who answered each question correctly. The fourth column shows the percentage of respondents who answered each question correctly. The fifth column shows the number of respondents who answered each question incorrectly. The sixth column shows the percentage of respondents who answered each question incorrectly.

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that the relative degree of fault of each be determined and that Hawaiian Electric have judgment against the other joint tort-feasors for any excess it might pay over and above its pro rata share of such judgment (R.O.A. 25-30).

The action came on for trial before the court and a jury on January 11, 1967. At the close of plaintiff's case on January 17, 1967, all defendants made motions for directed verdicts (Tr. 799-802). On January 18, 1967, the court orally granted the motion of defendant Okano and denied the motions of United States and Hawaiian Electric (Tr. 872-75).

On January 20, 1967, at the close of defendants' case, Okano made a motion for a directed verdict on Hawaiian Electric's cross-claim and said motion was granted. Defendants Hawaiian Electric and United States moved for directed verdicts in respect to plaintiff's claims. The motion of Hawaiian Electric was granted while the motion of United States was denied (Tr. 1348-50, 1384).

The court then discharged the jury and, as trier of fact decided plaintiff's case against the United States



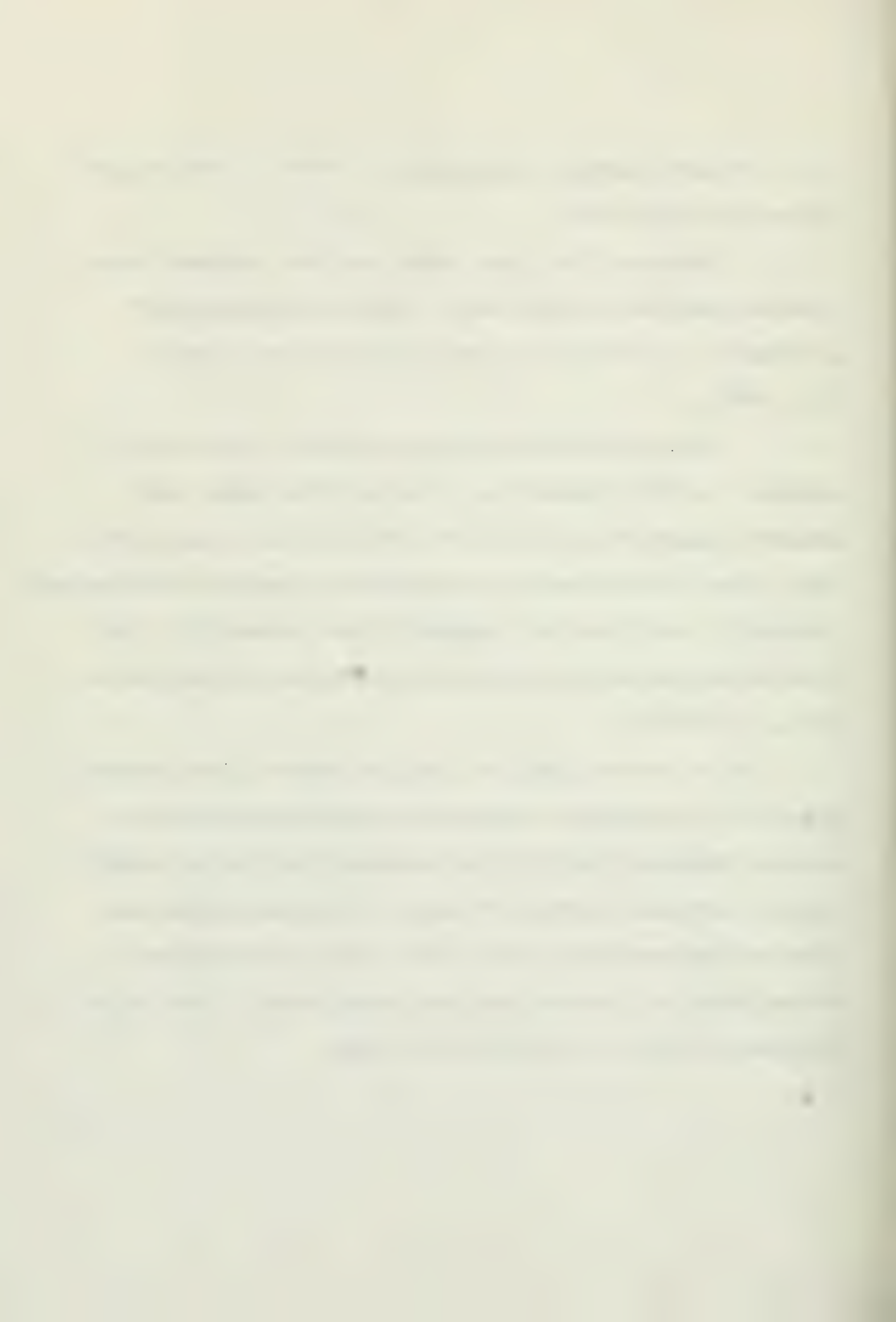


on its merits, giving a decision in favor of the United States (Tr. 1389-90).

Motions for a new trial and for judgment notwithstanding the verdict were filed by the plaintiff on January 25, 1967, and were denied on the same day (Tr. 1484).

Plaintiff has appealed from the order filed January 19, 1967, directing a verdict for Okano and against plaintiff, and from the order filed January 25, 1967, directing a verdict for Hawaiian Electric and against plaintiff, and from the judgment filed January 25, 1967, dismissing plaintiff's action against the United States (R.O.A. 174-75).

This cross-appeal is from the order filed January 25, 1967, directing a verdict for defendant Okano and against Hawaiian Electric on Hawaiian Electric's cross-claim. Hawaiian Electric's notice of cross-appeal was filed on February 24, 1967 (R.O.A. 191). The United States Court of Appeals for the Ninth Circuit has jurisdiction by virtue of 28 U.S.C.A. 1291.



### STATEMENT OF THE CASE

On September 10, 1963, plaintiff, Terrance I. Poston, was employed by Reed & Martin International as a backhoe operator (Tr. 152). Reed & Martin International was the general contractor for the U.S. Navy for certain changes being made on the Navy's communications system at its Kunia facility on the Island of Oahu, State of Hawaii. Okano was a subcontractor on this job. On said day Mr. Poston was instructed by his employer to drive a backhoe to the Kunia facility and to change the depth and slope of an existing ditch (Tr. 153, 187). The ditch was located on land belonging to the United States. A portion of the ditch in question ran underneath two guy wires which supported two poles which in turn supported a double cross-arm to which two sets of high voltage electrical transmission lines were attached and also a platform upon which a metering transformer was located (Ex. G-7). One set of transmission lines belonged to Hawaiian Electric and ran from its distribution system to said cross-arm. The other set belonged to the United States and ran from said cross-arm to other parts of the Kunia facility. The guy wires, the poles, the cross-arm





and the platform and certain wires running from the transmission lines to the metering transformer belonged to the United States (Tr. 1246-1247). The metering transformer and a meter mounted on one of said poles belonged to Hawaiian Electric (Tr. 1242-1243).

Mr. Poston believed that the digging operation would be more conveniently accomplished if one of the guy wires under which the ditch passed were removed from its anchor. According to Mr. Poston, he went to the foreman for George Okano Electrical Service, Ltd., which was a subcontractor of Reed & Martin International, and asked him, "If I take the guy wires loose, will the pole fall down?", to which the foreman replied, "No. Take it out." (Tr. 188-92). Sometime after starting to remove one of the guy wires Mr. Poston received severe electrical shock (Tr. 192-207).

#### QUESTIONS PRESENTED ON CROSS-APPEAL

This cross-appeal may be premature because the order filed January 25, 1967, directing that a verdict be entered for defendant Okano and against Hawaiian Electric in respect to the latter's cross-claim, may not have been



a final judgment. This is because, although the action presented more than one claim for relief, the court did not, as required by Rule 54(b) of the Federal Rules of Civil Procedure, make an express determination that there was no just reason for delay in entering judgment in respect to said cross-claim and did not expressly direct entry of judgment. Furthermore, when the court rendered its oral decision on January 18, 1967, in Okano's favor on the cross-claim it was possible that the question raised by the cross-claim would become moot, and when the court signed the order on January 25, 1967, on the cross-claim, the question had become moot because by then the court had directed verdict for Hawaiian Electric on the plaintiff's claims. See Thompson v. Trent Maritime Company, Ltd., 343 F.2d 200. However, Hawaiian Electric could not be absolutely certain that the order in respect to the cross-claim was not a final judgment and, therefore, was compelled to take this cross-appeal in order to avoid the risk of having a subsequent appeal dismissed as untimely.

Assuming that the appeal is not premature, the issue is whether the trial court erred in ordering that



a verdict be entered for defendant Okano and against defendant Hawaiian Electric in respect to the latter's cross-claim against Okano for contribution.

#### SPECIFICATION OF ERROR

The trial court erred in ordering that a verdict be entered for defendant Okano and against defendant Hawaiian Electric in respect to the latter's cross-claim against Okano for contribution.

#### ARGUMENT

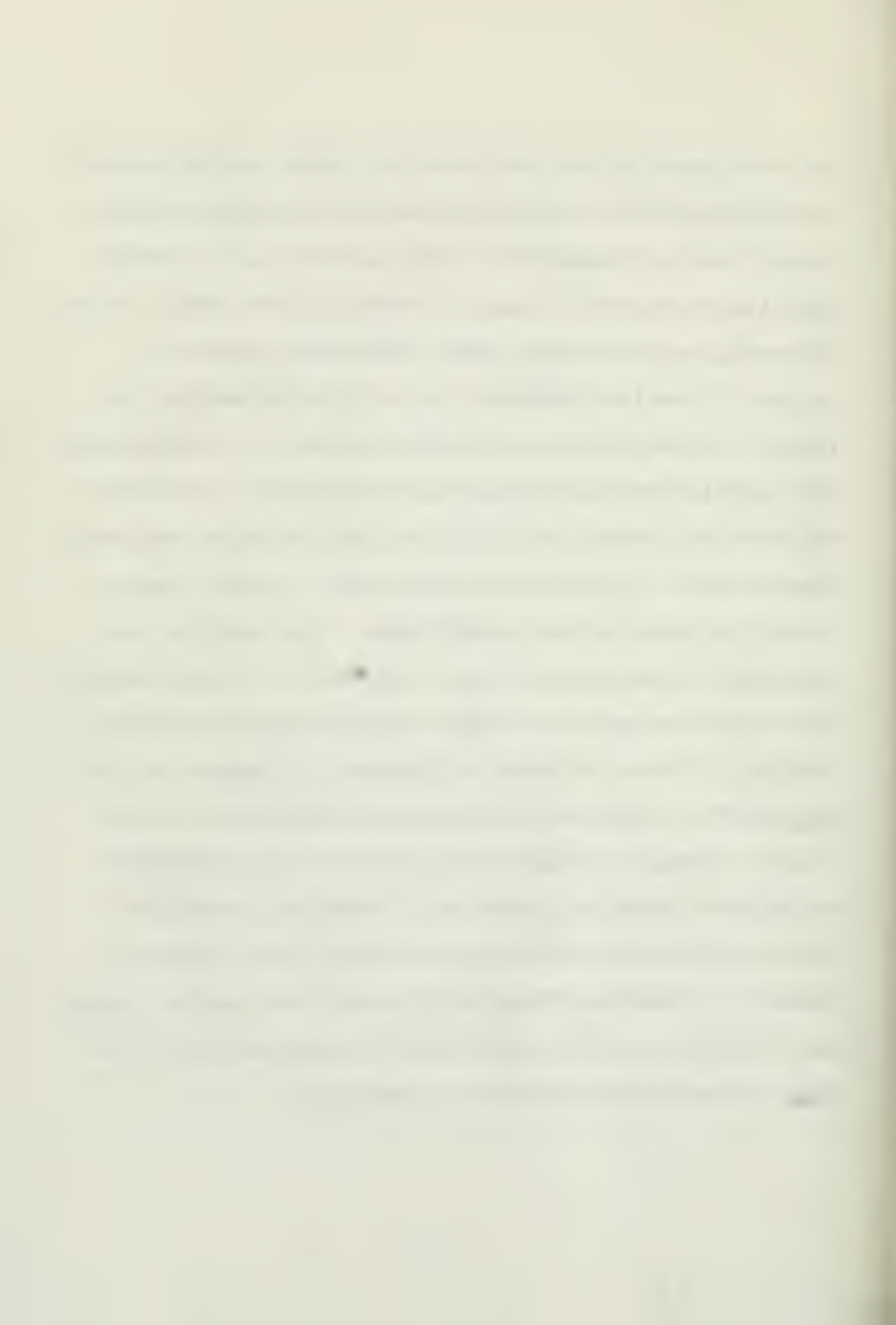
The only relief sought by Hawaiian Electric against Okano in its cross-claim was for contribution, and this relief was prayed for only in the event it was determined that Hawaiian Electric and Okano were determined to have been joint tort-feasors. This claim for contribution was made under the Uniform Contribution among Tortfeasors Act which is in force in Hawaii, (Chapter 246, Part II, Revised Laws of Hawaii 1955).

Hawaiian Electric's prayer for relief against Okano was conditioned on its having been determined that the two were joint tort-feasors. No such determination





had been made in the case when the court orally granted Okano's motion for a directed verdict in respect to the cross-claim on January 18, 1967, nor was such a determination ever made during the course of the trial. Furthermore, on January 20, 1967, the court granted the motion of Hawaiian Electric for a directed verdict in respect to the plaintiff's claim against it. Therefore, the question raised by Hawaiian Electric's cross-claim was moot on January 25, 1967, the day on which the trial court signed the order directing that a verdict be entered for Okano on the cross-claim. The question has continued to be moot and will continue to be moot unless this court reverses the trial court's order directing a verdict in favor of Hawaiian Electric in respect to the plaintiff's claim and unless upon a new trial of that claim a verdict is rendered in favor of the plaintiff and against Hawaiian Electric. Therefore, there has never been any occasion for the trial court to act in respect to Hawaiian Electric's cross-claim against Okano and the action of the trial court in purporting to pass upon a moot question should be reversed.



### CONCLUSION

If this court affirms the trial court's order directing a verdict in favor of Hawaiian Electric Company, Inc. in respect to the plaintiff's claim, then the question raised by Hawaiian Electric's claim against George Okano Electrical Service, Ltd. will continue to be moot and there will be no need for the court to pass upon the question raised by this cross-appeal.

If, however, this court orders a new trial of plaintiff's claim against Hawaiian Electric, then because the question raised by Hawaiian Electric's cross-appeal against George Okano Electrical Service, Ltd. was moot at the time the trial court signed its order of January 25, 1967, this court should reverse that order and direct that there be a new trial also of Hawaiian Electric's cross-claim against George Okano Electrical Service, Ltd.

DATED: Honolulu, Hawaii, August 23, 1967.

Respectfully submitted,

*Richard E. Stifel*

---

RICHARD E. STIFEL  
Bank of Hawaii Building  
Honolulu, Hawaii

Attorney for Hawaiian  
Electric Company, Inc.





CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

*Richard E. Stifel*

---

RICHARD E. STIFEL



NO. 22051

IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

TERRANCE I. POSTON, a citizen )  
of Alaska, )  
Appellant, )  
vs. )  
THE UNITED STATES OF AMERICA, )  
et al., )  
Appellees. )

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ON APPEAL FROM THE  
UNITED STATES DISTRICT  
COURT FOR THE DISTRICT  
OF HAWAII IN CIVIL  
NO. 2345


CERTIFICATE OF SERVICE

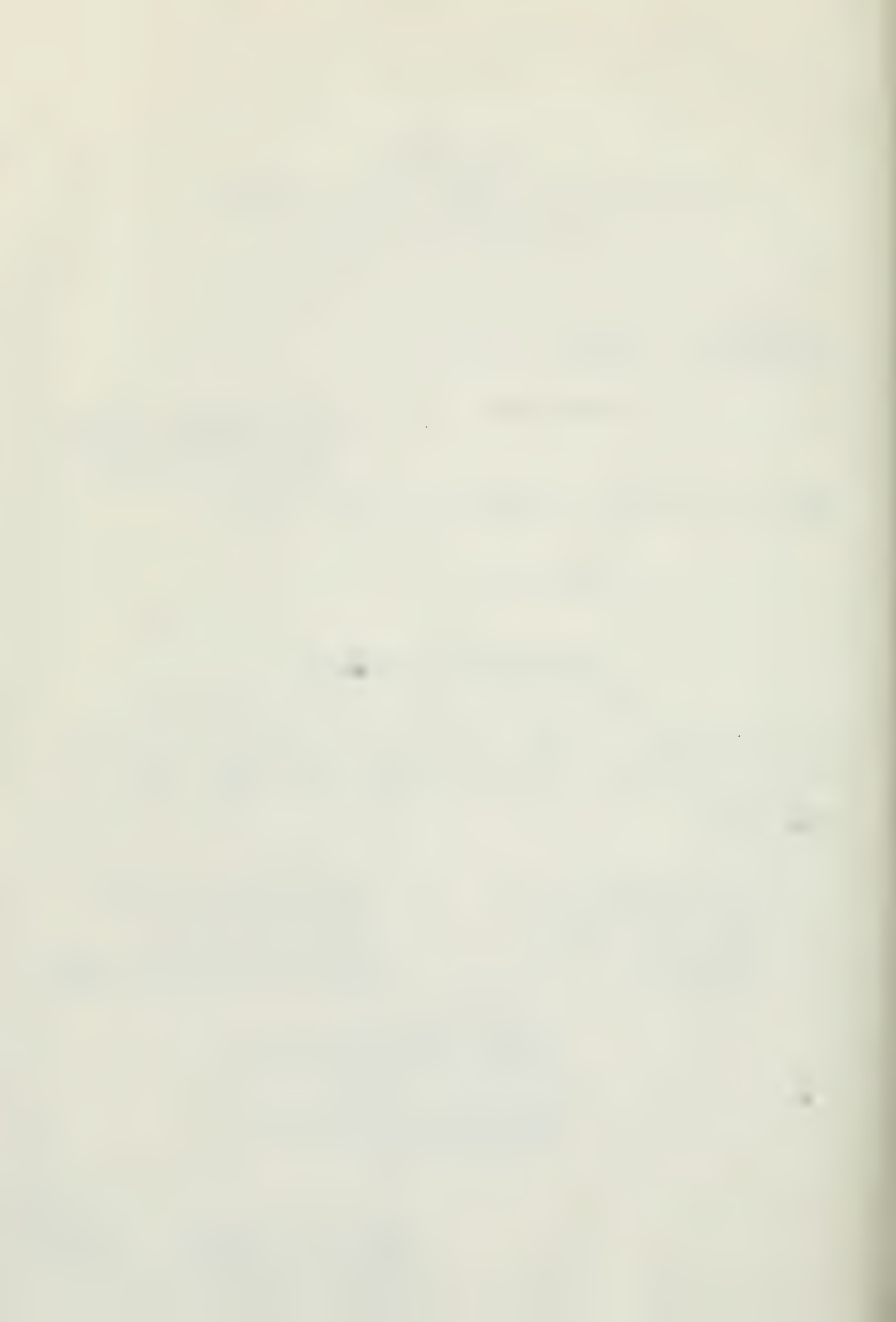
I hereby certify that a copy of the within  
answering brief of defendant-appellee Hawaiian Electric  
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THE UNITED STATES OF AMERICA,  
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ON APPEAL FROM THE  
UNITED STATES DISTRICT  
COURT FOR THE DISTRICT  
OF HAWAII IN CIVIL  
No. 2345

FILED

JAN 2 1958

WM. B. LUCK, CLERK

ANSWERING BRIEF OF  
DEFENDANT-APPELLEE HAWAIIAN  
ELECTRIC COMPANY, INC.

Of Counsel:

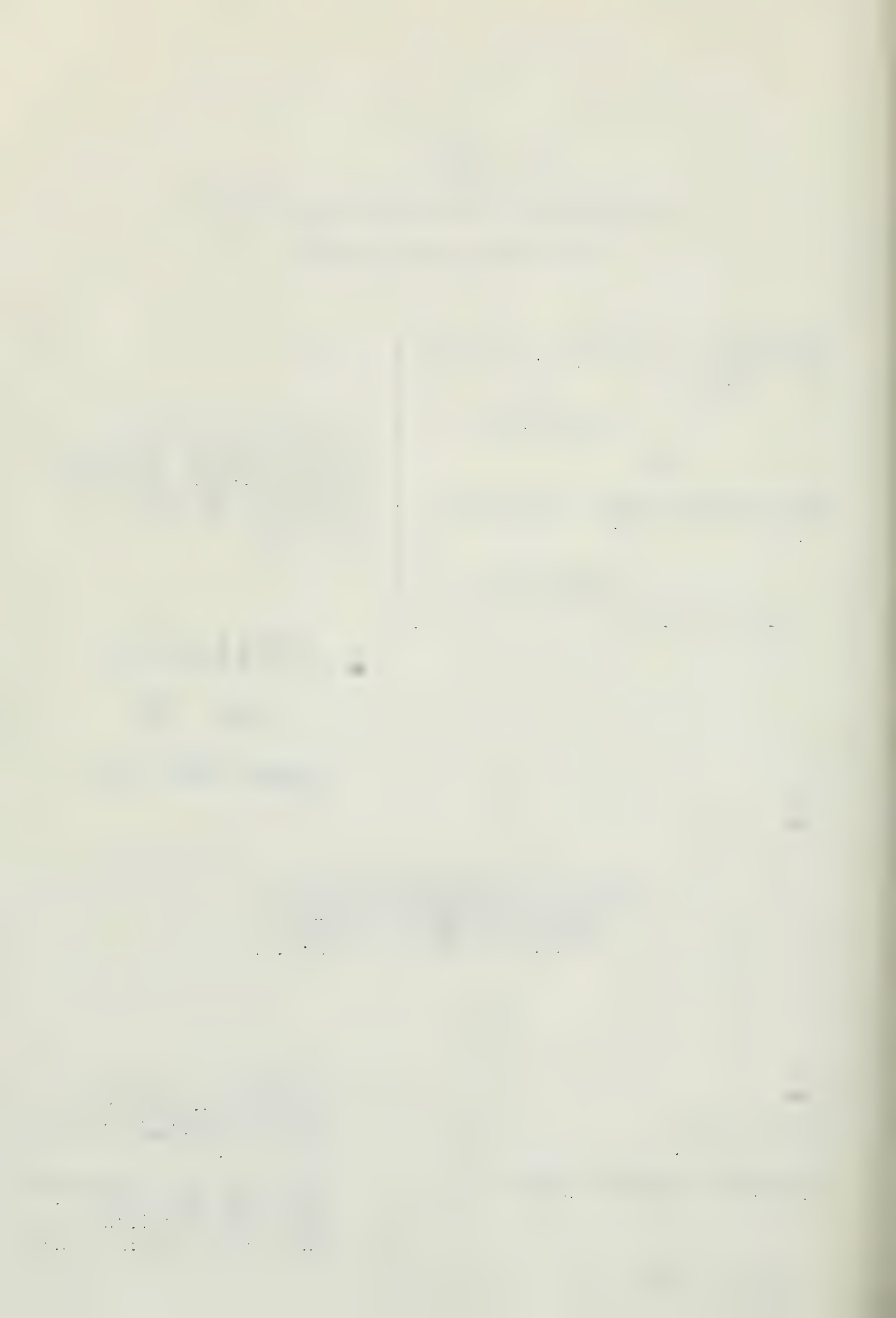
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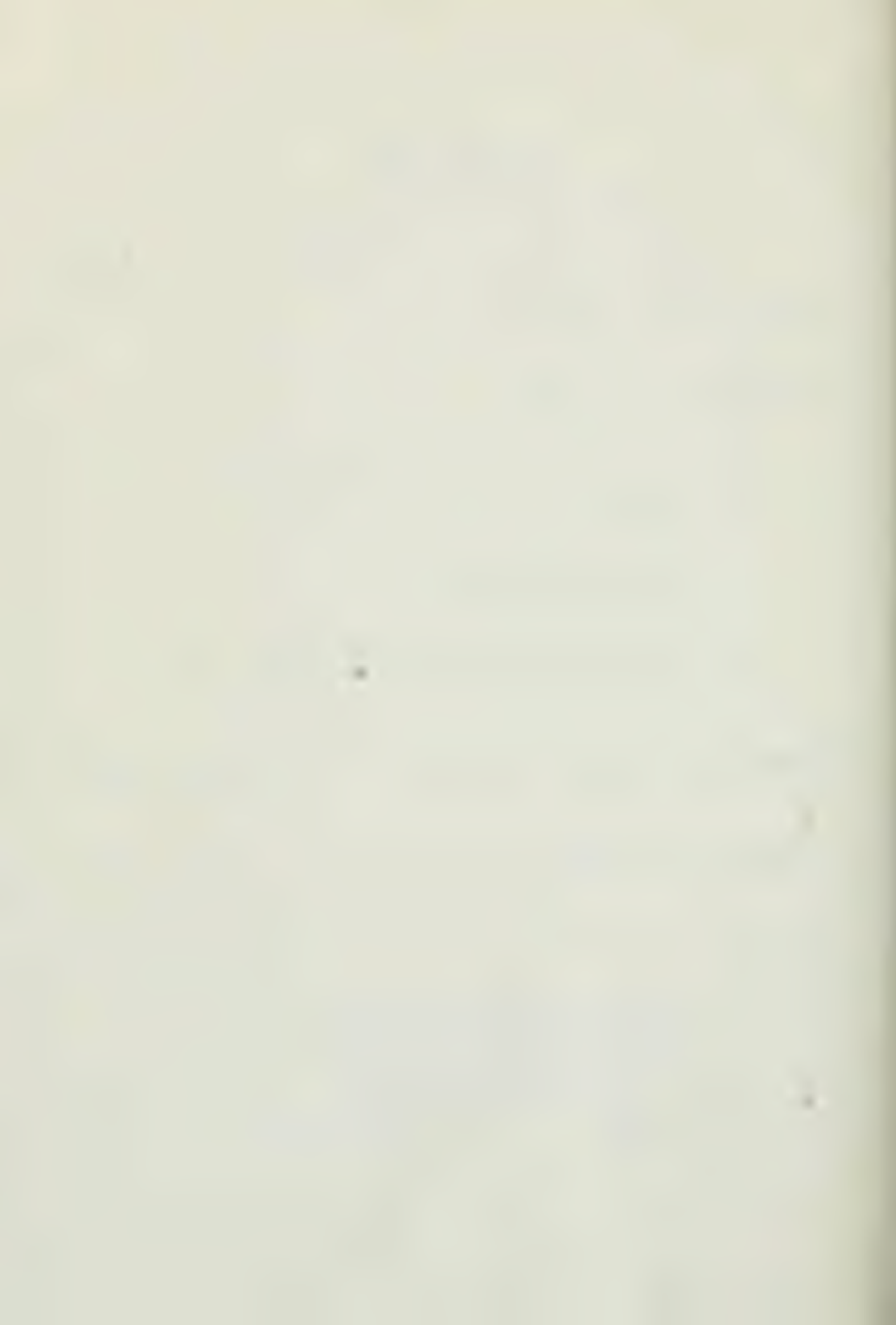
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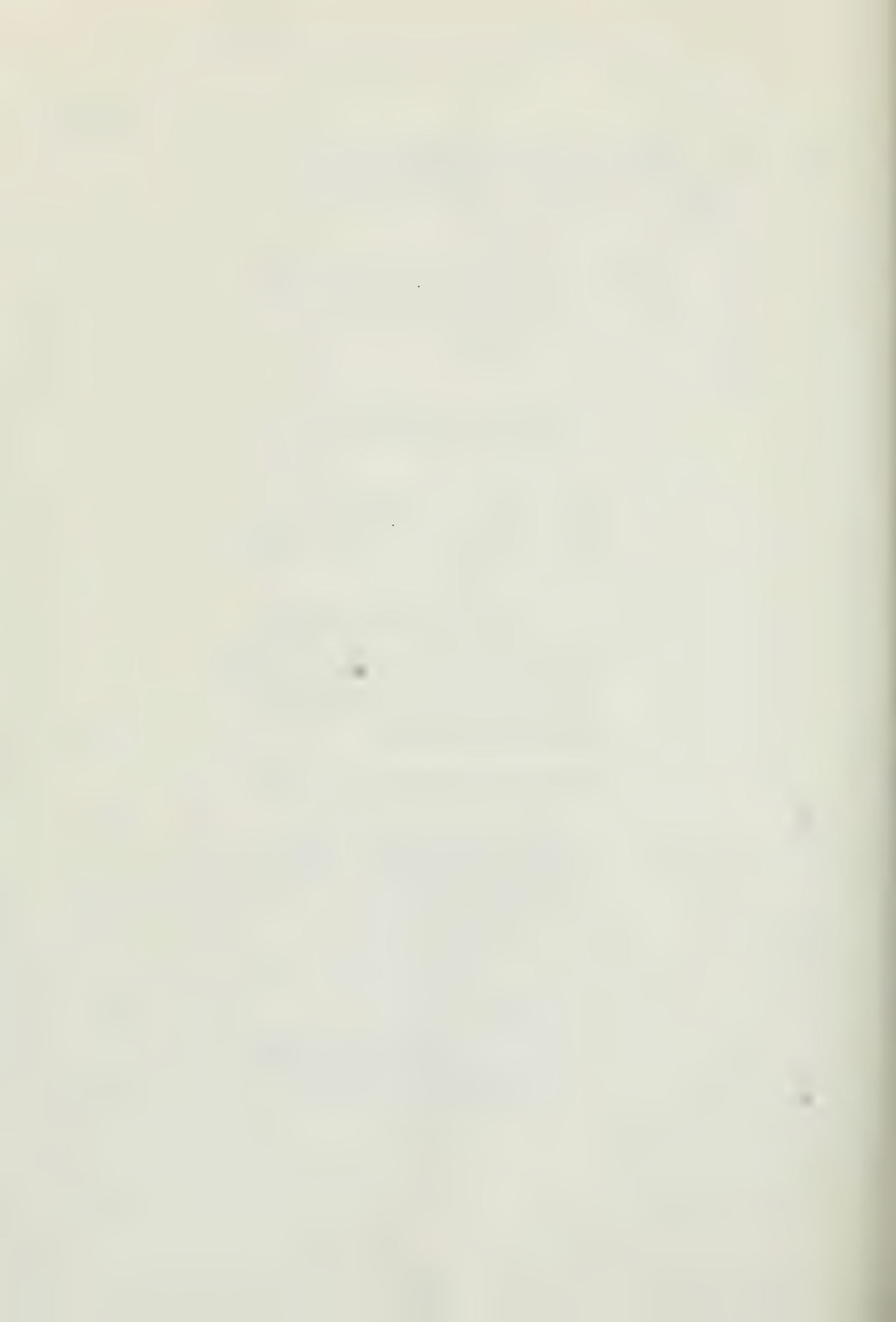


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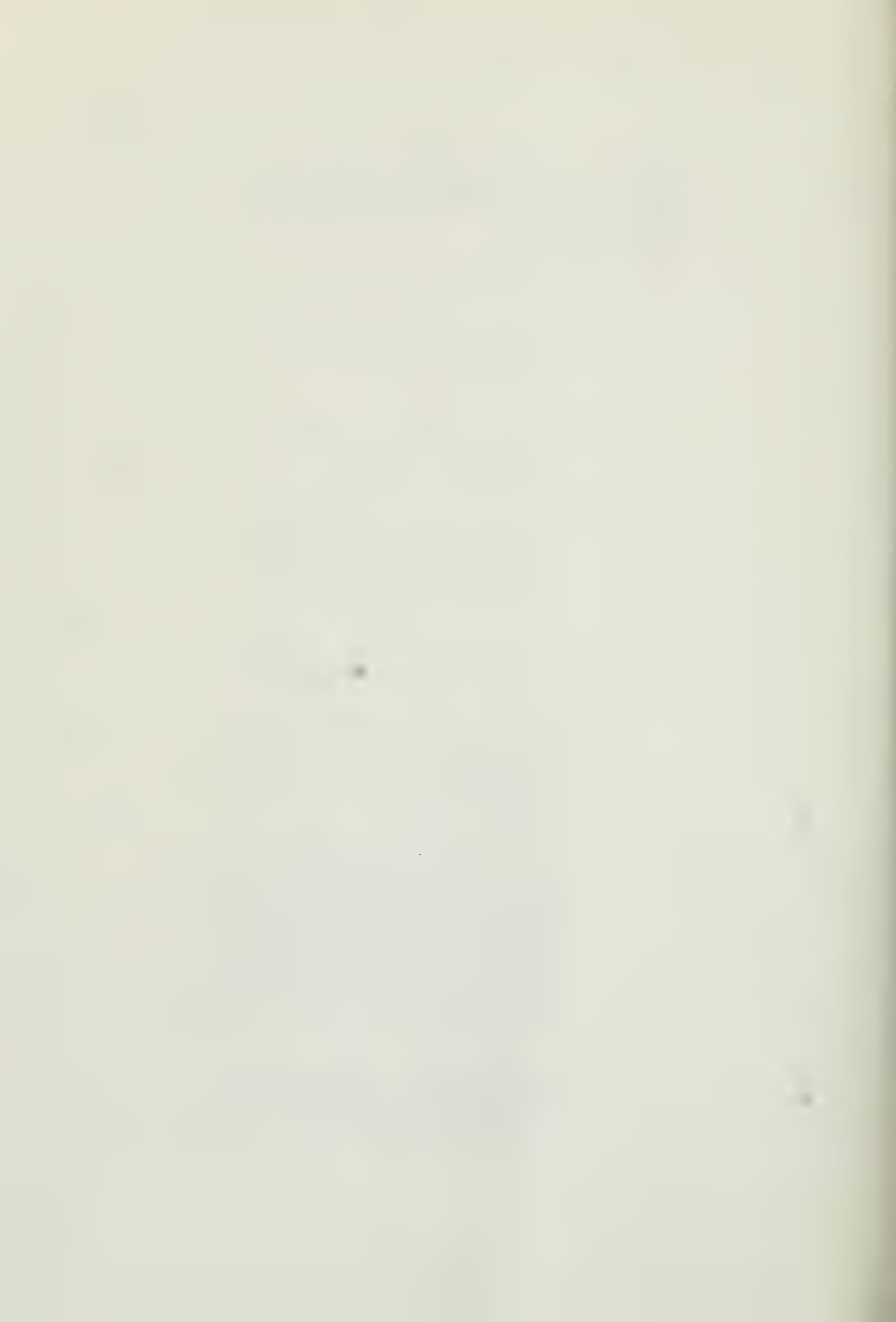


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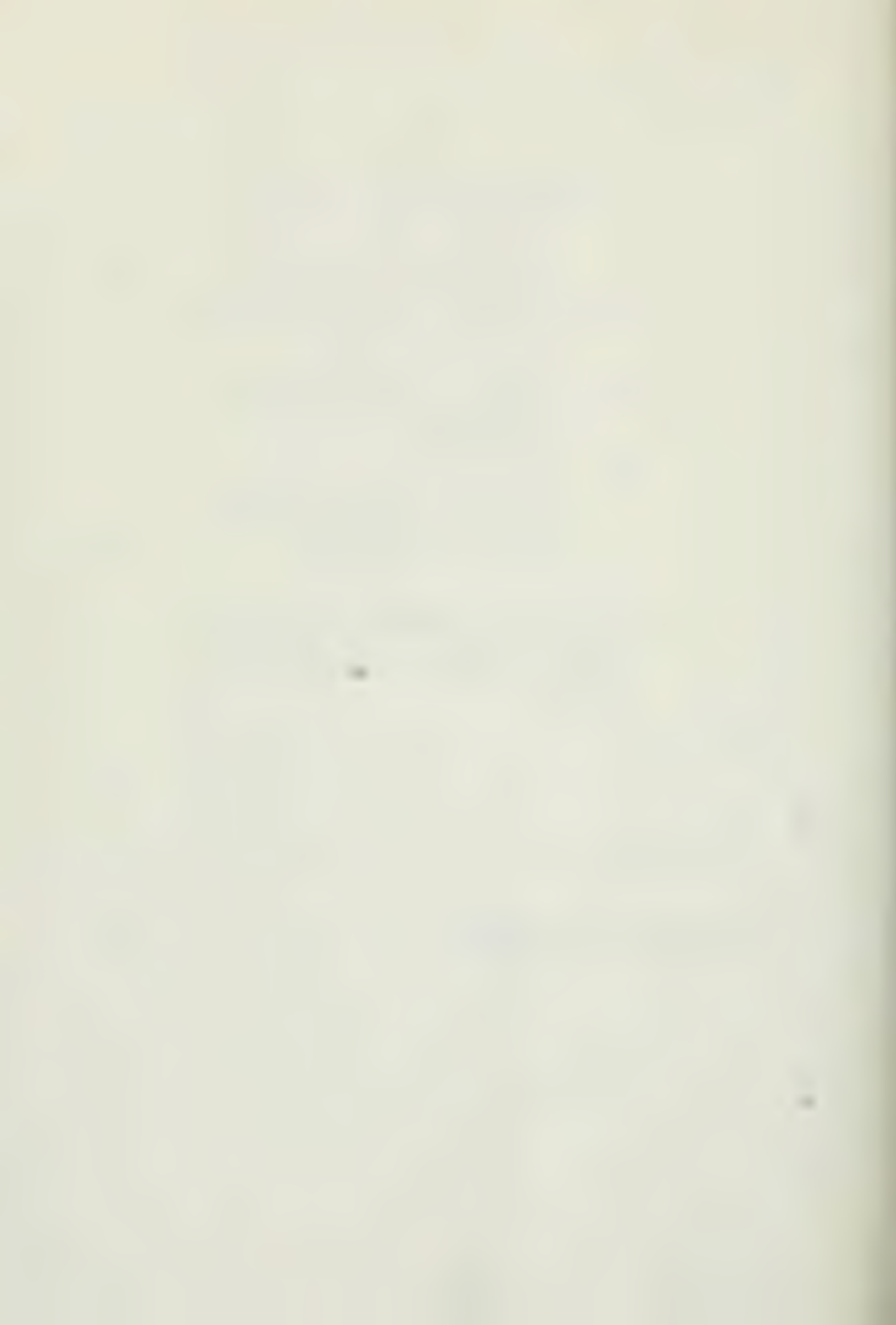


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NO. 22051

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ANSWERING BRIEF OF  
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ELECTRIC COMPANY, INC.

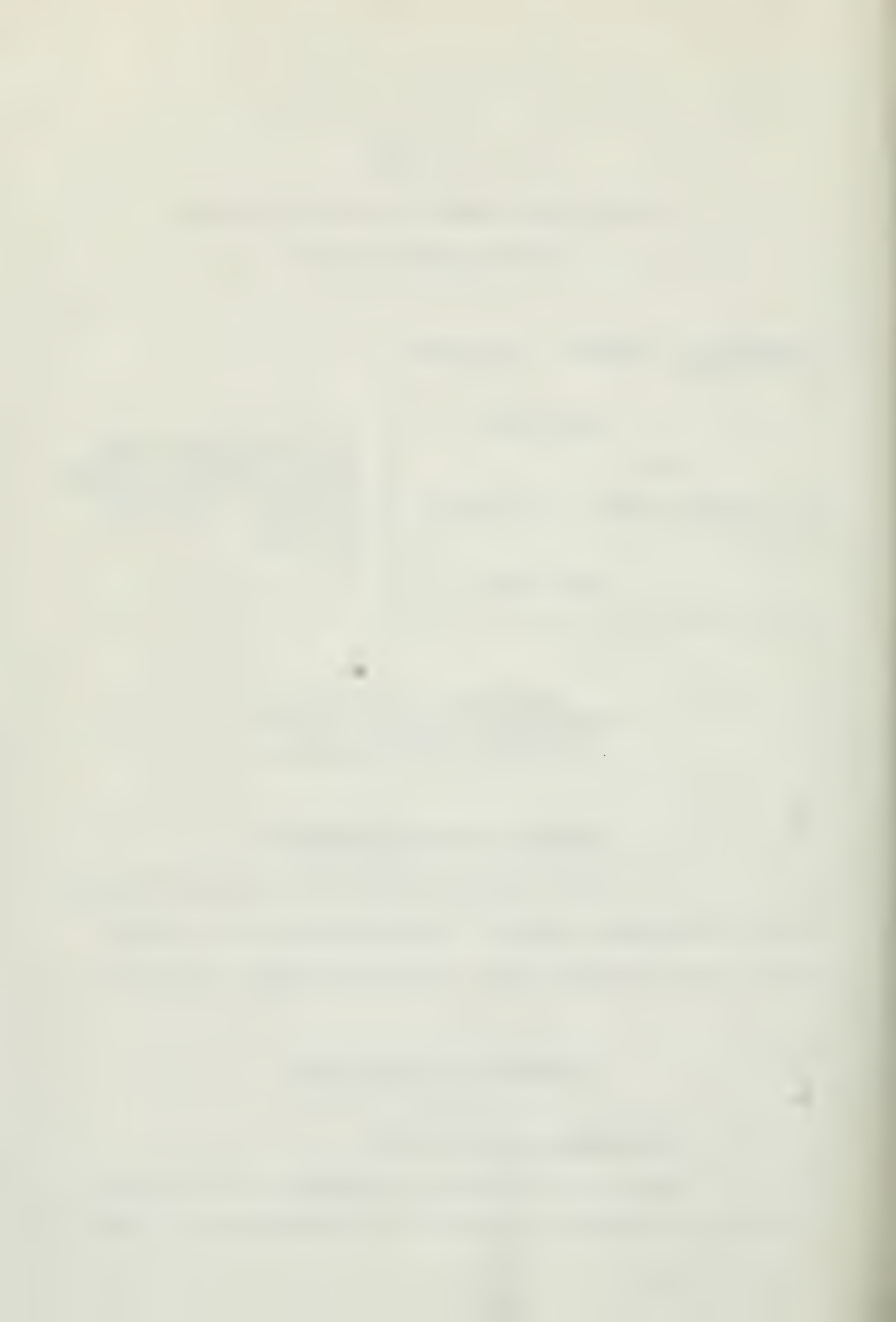
JURISDICTIONAL STATEMENT

Defendant-appellee Hawaiian Electric Company,  
Inc., hereinafter called "Hawaiian Electric", agrees  
with plaintiff-appellant's jurisdictional statement.

STATEMENT OF THE CASE

A. The Nature of the Case

This is an action for damages for personal  
injuries sustained by plaintiff on September 10, 1964,





at the Kunia facility owned and operated by the United States on Oahu, Hawaii.

B. The Scene of the Accident

The portion of the Kunia facility where the accident occurred is portrayed in an enlarged photograph which was admitted in evidence as exhibit G-7A (Tr. 331).

Exhibit G-7A shows that at this portion of the Kunia facility there were two utility poles upon which certain electrical equipment was mounted and that one of said utility poles was enclosed in a chain-link fence. Exhibit G-7A also shows two guy wires running from the tops of the poles down to the ground to the left of the poles as shown in the photograph.

All parties admitted in the pretrial order that the United States was the sole owner, occupier and user of the Kunia facility (R. 46).

It was also admitted in the pretrial order that Hawaiian Electric was the owner of a metering transformer, certain meters and certain conductors running between the transformer and the meters, all



located at Kunia near the place where the plaintiff was injured and was the owner of the power lines transmitting power to the air switch on top of the poles at Kunia (R. 48).

The testimony makes it clear that the metering transformer and the meters and the power lines mentioned in the pretrial order are shown in exhibit G-7A. Mr. Zeigler, a Hawaiian Electric Company vice president, testified at length concerning that portion of the Kunia facility shown in exhibit G-7A and explained its design, construction, ownership, maintenance and control. His testimony was uncontradicted and, therefore, may be taken to have established the following facts.

The transformer shown mounted on the two poles in exhibit G-7A was a metering transformer and was owned by Hawaiian Electric (Tr. 1242). The rectangular box mounted five or six feet off the ground on one of the poles was a meter box and also belonged to Hawaiian Electric (Tr. 1243). The three wires coming into the upper left corner of exhibit G-7A were also owned by Hawaiian Electric (Tr. 443 and 1243). Hawaiian Electric also owned the conduit running down from the metering transformer to the meter (Tr. 442-443).



The Hawaiian Electric wires coming into the photograph from the upper left-hand side of exhibit G-7A terminated where the wires were attached to the insulators at the top of the poles and Hawaiian Electric did not own the wires on the other side of the insulators and did not own the wires coming down to the metering transformer (Tr. 443).

Hawaiian Electric did not design or construct the facility shown in exhibit G-7A (Tr. 1242), and all that Hawaiian Electric did was to put the meters and the metering transformer in place and connect the government's wires which were already in place to the insulators on top of the metering transformer (Tr. 444) and install the conduit between the metering transformer and the meters.

The point of delivery where Hawaiian Electric delivered current to the United States was the point where Hawaiian Electric's wires ended at the insulators on top of the poles (Tr. 446).

There was introduced into evidence the printed Rules and Rate Schedules Applicable to Electric Service which constituted order number 1086 of the Hawaii Public





Utilities Commission (Ex. H-1, Tr. 587). Paragraph F of rule 14 of these rules has long provided that Hawaiian Electric's customers shall install and maintain all wires and equipment required for receiving electric energy from the lines of Hawaiian Electric and that the customer shall be solely responsible for the transmission of electric energy through the customer's wires.<sup>1/</sup>

---

1/ Paragraph F of rule 14 of exhibit H-1 reads as follows:

"F. CUSTOMER RESPONSIBILITY FOR HIS EQUIPMENT

"The customer shall, at his own sole risk and expense, furnish, install, inspect and keep in good and safe condition all electrical wires, lines, machinery, apparatus and equipment of any kind or character which may be required for: (1) receiving electric energy from the lines of the Company, regardless of the location of the transformers, meters or other equipment of the Company; and (2) applying and utilizing such energy, including all necessary protective equipment and suitable housing therefor.

"The customer shall also transmit and deliver and be solely responsible for the transmission and delivery of all electric energy over or through the customer's wires and equipment, regardless of the place where such electric energy may be transformed or metered.

"The Company will not be responsible for any loss or damage occasioned or caused by the negligence, want of proper care or wrongful act of the customer, his agents, employees or licensees in installing lines, machinery, apparatus or equipment."



Mr. Zeigler testified that the facility depicted in exhibit G-7A was what the United States was required to furnish in accordance with paragraph F of rule 14 (Tr. 1248-1249).

Mr. Zeigler also testified that Hawaiian Electric had no control over the current on the customer's premises (Tr. 1252) and that the air switch which was located at the top of the poles shown in exhibit G-7A was owned by the United States and that Hawaiian Electric had no authority to manipulate it (Tr. 1252-1253).

Mr. Zeigler also testified that Hawaiian Electric did not maintain the installation shown in exhibit G-7A although Hawaiian Electric did read its meters and would replace a meter if one were damaged (Tr. 1253).

Exhibit G-7A shows in the background a chain-link fence which was a part of the fence surrounding the entire Kunia facility. The photograph also shows that there was another fence enclosing the base of the pole on the left side of the photograph on which the meter box was mounted. Mr. Zeigler testified that Hawaiian Electric gained access to the meter box by coming through a gate in the outside fence into the





enclosed area around the base of the pole on which the meter box was mounted, but that the Navy still maintained control of that area (Tr. 1255-1256).

Mr. Zeigler also testified that Hawaiian Electric did not have the right to modify the poles or the guy wires shown in exhibit G-7A in any way and that it did not have the right to control any of the work that the United States did at the facility (Tr. 1256-1257).

By way of summary, the foregoing testimony and documentary evidence make it clear that Hawaiian Electric did not own, design, construct or maintain the Kunia facility shown in exhibit G-7A and that the only equipment it owned there consisted of the three wires that entered exhibit G-7A at the upper left-hand corner and terminated at the insulators at the top of the poles and the metering transformer and the meters located in the rectangular box near the bottom of one of the poles and the conduit running between the metering transformer and the meter box. It is also clear that Hawaiian Electric delivered electric current to the United States at the insulators at the top of the poles and thereafter had no further control over the



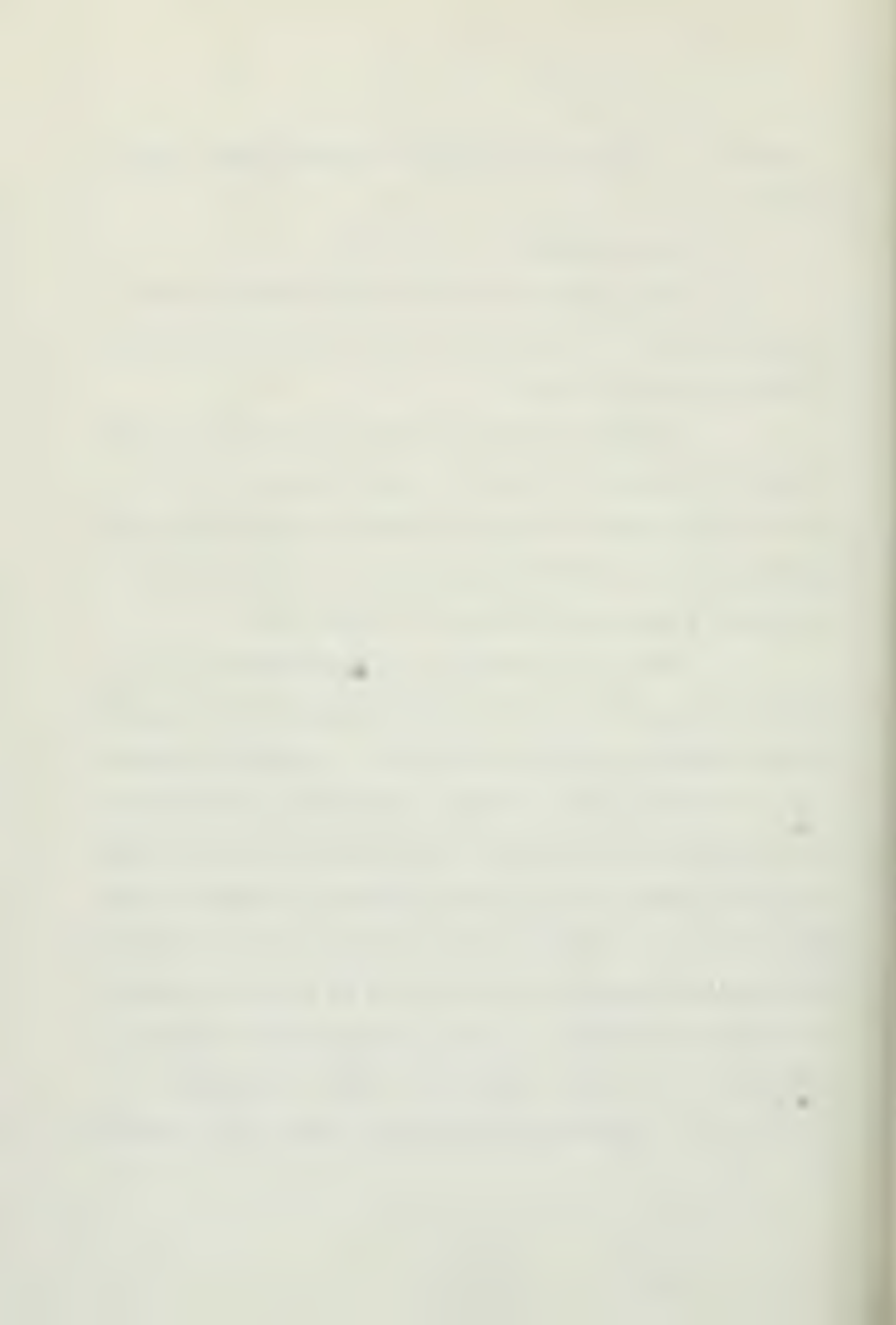
current as it passed through the wires of the United States.

C. The Accident

The accident occurred when plaintiff was in contact with the further away of the two guy wires shown in exhibit G-7A.

Plaintiff testified that he was in the process of removing the lower end of the guy wire from its ground anchor but that he had not completely removed it when "everything gave way. That was it. I saw this flash, and that's it." (Tr. 203).

Thus, it appears to be plaintiff's claim that the guy wire had not been removed from its ground anchor when the accident occurred. However, government witnesses Ponte, Landry and Emsley all testified that they arrived at the scene shortly after the accident and found the guy wire completely detached from the anchor and hanging over the corner of the fence in the position shown in exhibit G-5 at a point about 15 feet from the anchor to which the guy wire had been attached (Tr. 1096, 1106-1107, 1029, 1032-1033 and 1069-1071). Witnesses Emsley and Landry also testified



as to seeing a burn mark on the guy wire just below the insulator shown in exhibit G-7A and a corresponding burn mark on one of the wires coming down from the main power line to one of the insulators on top of the metering transformer (Tr. 1036-1038 and 1074). These two witnesses also testified that there were burn marks on the fence where the guy wire was found hanging as shown in exhibit G-5 and also on the ground at the base of the fence (Tr. 1036-1038 and 1074).

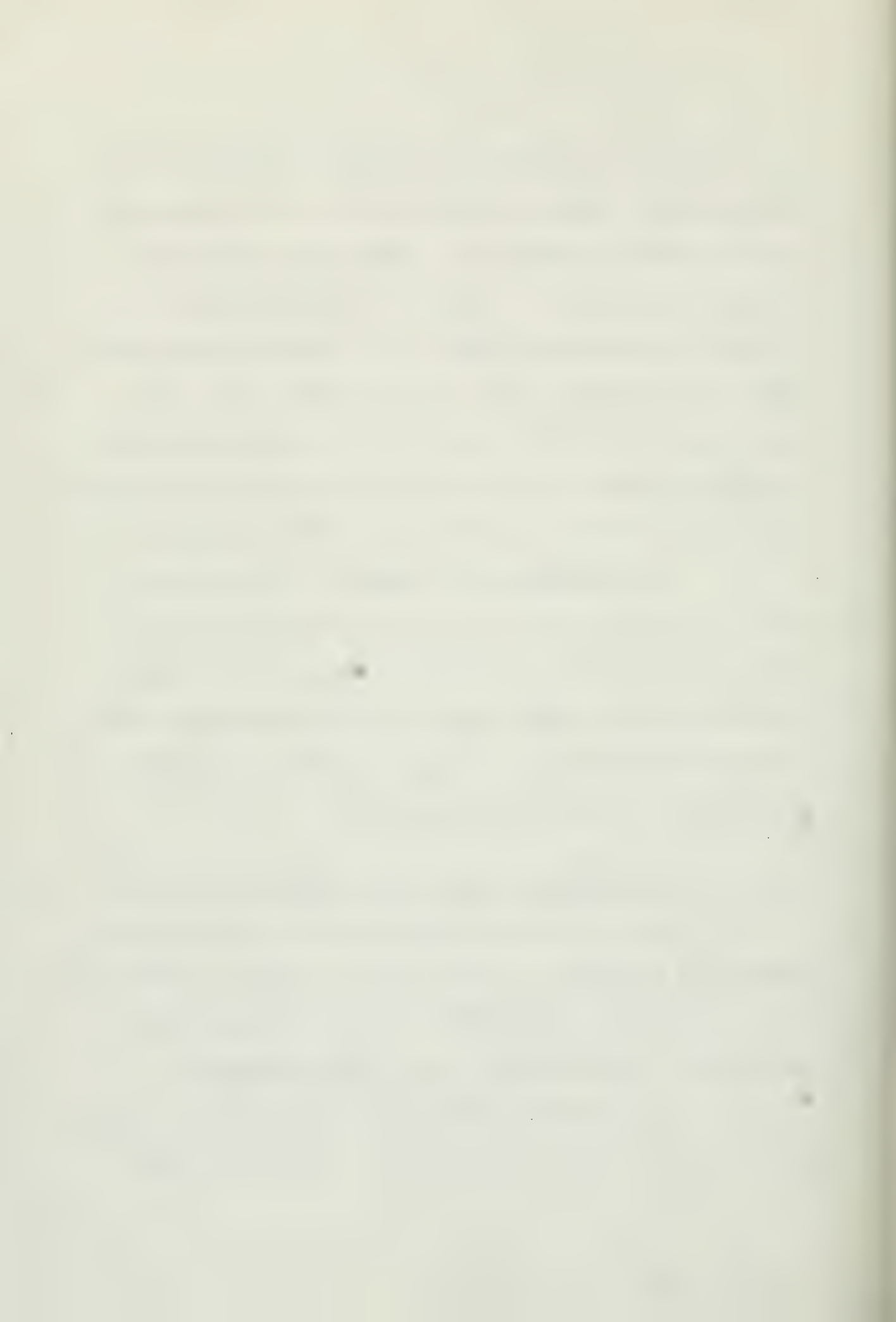
An examination of exhibit G-7A indicates that it would be physically impossible for the guy wire involved in this accident to come into contact with any electric wire shown in the photograph unless it were detached from its ground anchor. Plaintiff offered no evidence to the contrary.

D. Plaintiff's Theory as to Hawaiian Electric

Prior to trial plaintiff had abandoned any contention that the facility shown in exhibit G-7A had been defectively constructed and had abandoned any reliance upon the doctrine of res ipsa loquitor.

As to Hawaiian Electric, plaintiff's theory, as set forth in the pretrial order, was as follows:





"Hawaiian Electric Company, Inc. built and owned a portion of the electrical installation to which the guy wire was attached. It owned and controlled the flow of high-voltage current within the installation. It exclusively maintained the electrical installation. It had a rent-free lease of the land upon which the installation was built. Due to the aforesaid, it had a duty to erect signs or otherwise warn of the presence of the dangerous instrumentality. Hawaiian Electric Company, Inc. did not give such warning. The failure to do so was a proximate cause of the injuries sustained by plaintiff." (R.41).

E. The Court's Disposition of the Claim against Hawaiian Electric

At the conclusion of all of the evidence, Hawaiian Electric moved for a directed verdict, and this motion was granted, and by an order filed January 25, 1967, the court ordered that a verdict should be entered for Hawaiian Electric on the ground that



plaintiff had failed to adduce any substantial evidence of any negligence on the part of Hawaiian Electric and on the ground that plaintiff was guilty of contributory negligence as a matter of law.

#### QUESTIONS PRESENTED ON APPEAL

The primary question on appeal so far as Hawaiian Electric is concerned is whether the trial court erred in granting a directed verdict in its favor and this will depend upon whether plaintiff adduced any evidence that created any issues that should have been submitted to the jury.

It will also be necessary to consider the following questions raised by the plaintiff in his opening brief:

- (a) Whether the reasoning followed by the trial court in reaching its decision to grant a directed verdict in favor of Hawaiian Electric is grounds for reversal.
- (b) Whether plaintiff has pointed to any evidence which created issues that should have been submitted to the jury.





- (c) Whether the court erred by considering plaintiff's lack of status as Hawaiian Electric's invitee in concluding that a verdict should be directed for Hawaiian Electric.
- (d) Whether the court erred in concluding that plaintiff was guilty of contributory negligence as a matter of law.
- (e) Whether Hawaiian Electric violated any duty to post.
- (f) Whether the court's handling of the pretrial order was reversible error.
- (g) Whether the court's refusal to admit Y & D blueprint 872808 into evidence was prejudicial error.
- (h) Whether plaintiff had the right to rely upon the doctrine of res ipsa loquitor.
- (i) Whether plaintiff is entitled to a new trial because of the alleged misconduct of counsel.
- (j) Whether plaintiff is entitled to a new trial on account of the court's refusal to admit plaintiff's entire deposition into evidence.
- (k) Whether plaintiff is entitled to a new trial because of the court's mention of the factor of workmen's compensation after the conclusion of the trial.



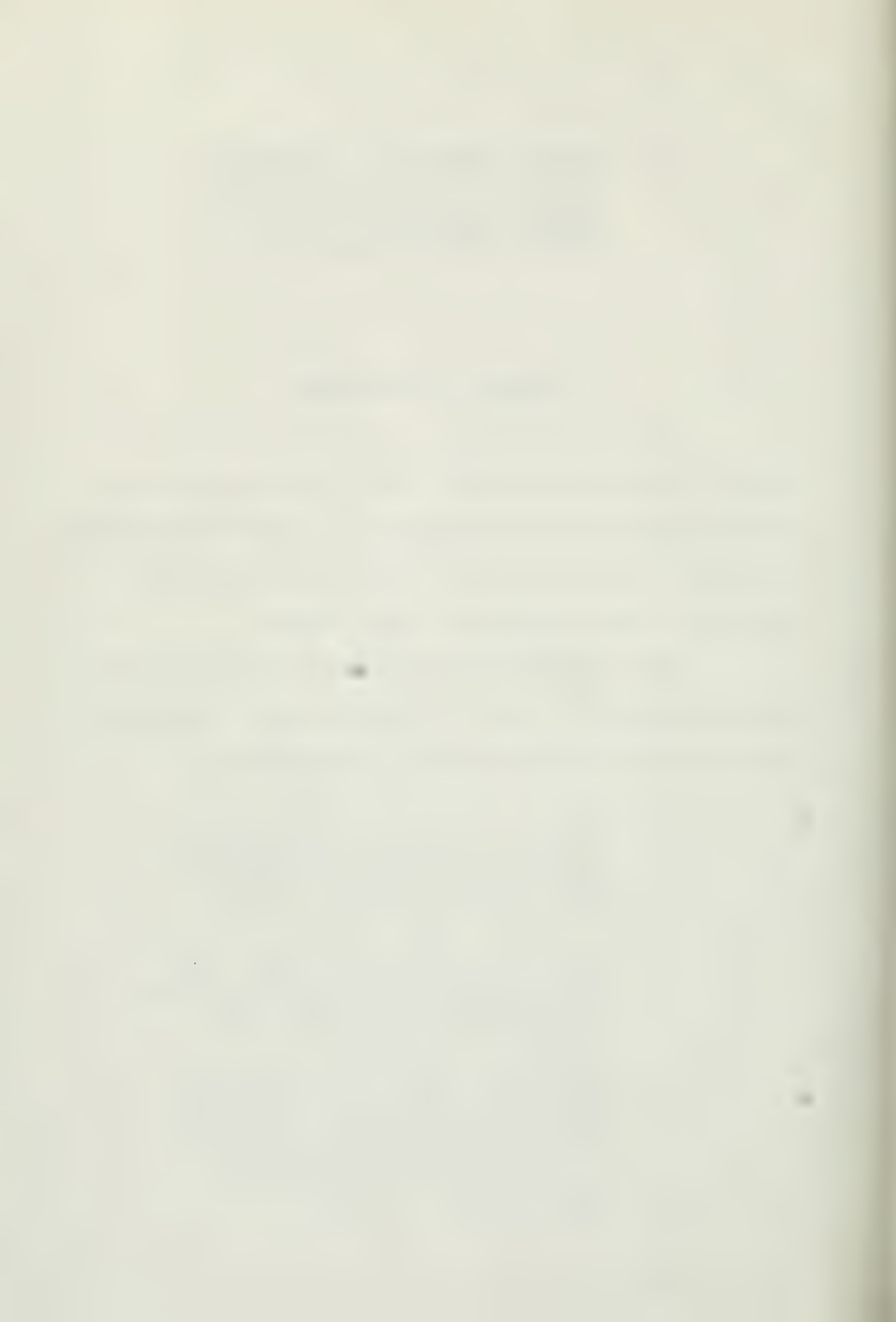
- (1) Whether plaintiff is entitled to a new trial because of the provisions of the fifth and seventh amendments to the United States Constitution.

### SUMMARY OF ARGUMENT

The judgment below directing a verdict in favor of Hawaiian Electric should be affirmed because all reasonable minds would agree that the evidence did not create any issues as to Hawaiian Electric that should have been submitted to the jury.

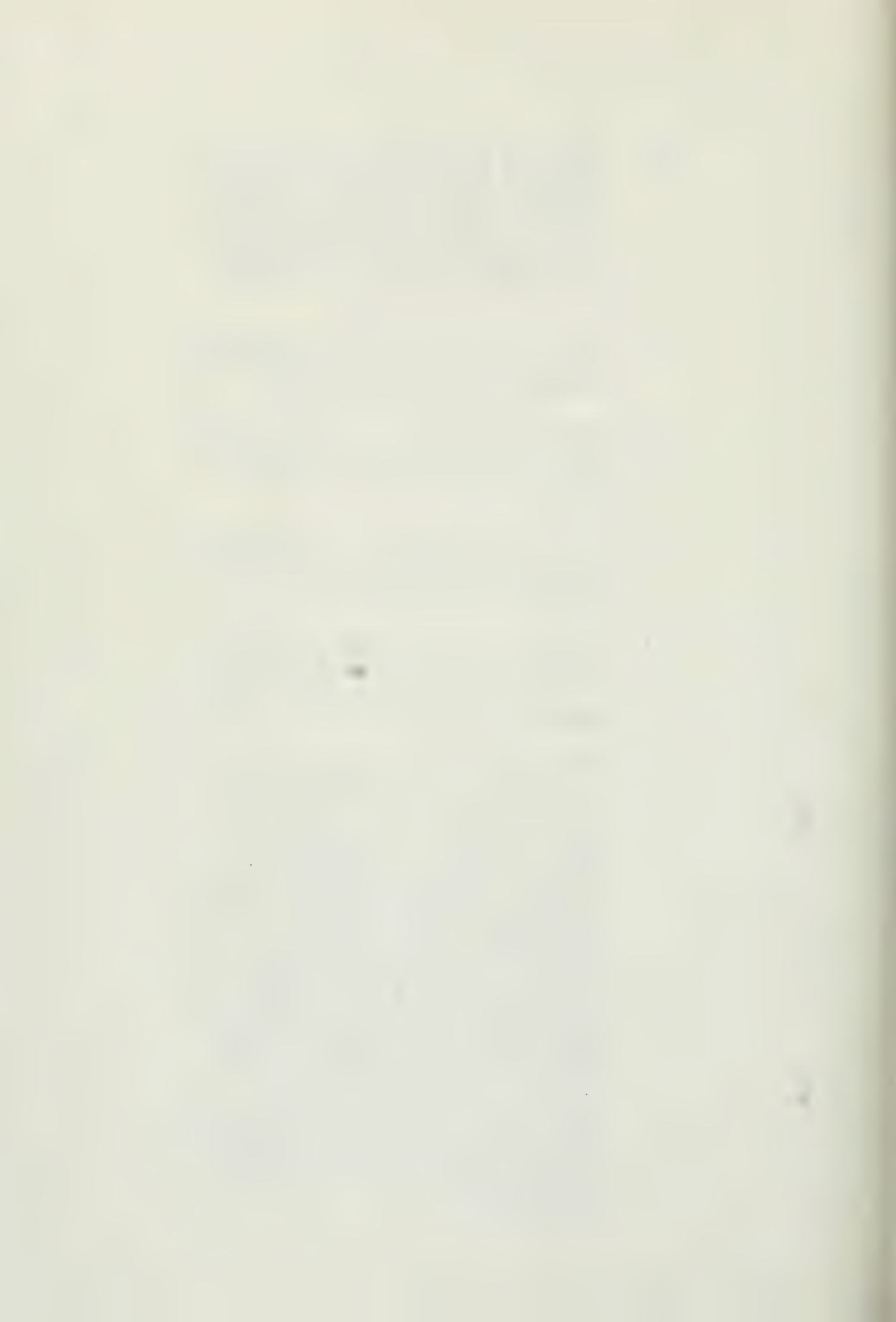
The judgment should also be affirmed because there is no merit to any of the plaintiff's arguments advanced in his opening brief. In particular,

- (a) There is no merit to plaintiff's argument that the court departed from all standards by weighing the evidence and usurping the function of the jury.
- (b) There is no merit to plaintiff's argument that the evidence created issues which should have been submitted to the jury.
- (c) There is no merit to plaintiff's claim that the court erred in predicating Hawaiian Electric's duty of care toward plaintiff on his lack of status as Hawaiian Electric's invitee.



- (d) There is no merit to plaintiff's argument that the court's conclusion that plaintiff was guilty of contributory negligence was inconsistent with its finding of no negligence on the part of Hawaiian Electric.
- (e) There is no merit to plaintiff's argument that Hawaiian Electric violated its duty to post.
- (f) There is no merit to plaintiff's arguments pertaining to the court's use of the pretrial order.
- (g) There is no merit to plaintiff's argument in relation to Y & D blueprint 872808.
- (h) There is no merit to plaintiff's argument that he had the right to rely on the doctrine of res ipsa loquitor.
- (i) There is no merit in respect to plaintiff's arguments that he is entitled to a new trial because of the alleged prejudicial conduct of counsel or because of the court's refusal to allow the plaintiff's entire deposition into evidence or because the court mentioned the fact of workmen's compensation after the conclusion of the trial or because of plaintiff's arguments based on the fifth and seventh amendments to the United States Constitution.
- (j) There is no merit to plaintiff's argument that he was entitled to a directed verdict against Hawaiian Electric.





## ARGUMENT

- I. The judgment in favor of Hawaiian Electric should be affirmed because all reasonable minds would agree that the evidence did not create any issues as to Hawaiian Electric that should have been submitted to the jury.
- 

According to the pretrial order plaintiff's theory as to Hawaiian Electric was that Hawaiian Electric built and owned a portion of the electrical installation to which the guy wire was attached, that it owned and controlled the flow of current within the installation, that it exclusively maintained the electrical installation and that it had a rent-free lease of the land upon which the installation was built and that due to the aforesaid it had a duty to warn plaintiff of the presence of the "dangerous instrumentality" (R. 41).

However, not only did plaintiff fail to prove any of these claims but the evidence affirmatively establishes the contrary of what plaintiff asserted.

Plaintiff's first claim was that Hawaiian Electric built and owned a portion of the electrical installation to which the guy wire was attached. However,



the evidence was that Hawaiian Electric did not build any portion of the facility but that it merely put its transformer and meters in place on the installation and connected existing wires to its metering transformer (Tr. 1242 and 444).

Plaintiff's next claim is that Hawaiian Electric owned and controlled the flow of electric current within the installation. Plaintiff adduced no evidence to support this claim, and again the evidence established exactly the contrary of what plaintiff claimed for Mr. Zeigler's uncontradicted testimony was that the point of delivery of the electric current was the point where Hawaiian Electric's wires were attached to the air switch at the top of the two poles and that thereafter Hawaiian Electric had no control of the current (Tr. 446 and 1252-1253). After the current left Hawaiian Electric's wires it could be controlled by the government's air switch but Hawaiian Electric had no authority to manipulate this switch (Tr. 1252-1253). Furthermore, the Rules and Rate Schedules Applicable to Service provided that the customer alone was responsible for the transmission of current through the customer's wires (Ex. H-1, Rule 14, ¶ F ).





Plaintiff's next claim is that Hawaiian Electric "exclusively maintained" the electrical installation. Again plaintiff offered no evidence to prove this claim and the evidence affirmatively proves that Hawaiian Electric did not maintain the facility either exclusively or in conjunction with anyone else (Tr. 1253, Ex. H-1, Rule 14 P. F.).

Plaintiff's last claim is that Hawaiian Electric had a rent-free lease of the land upon which the installation was built. Again there is no evidence to support this claim.

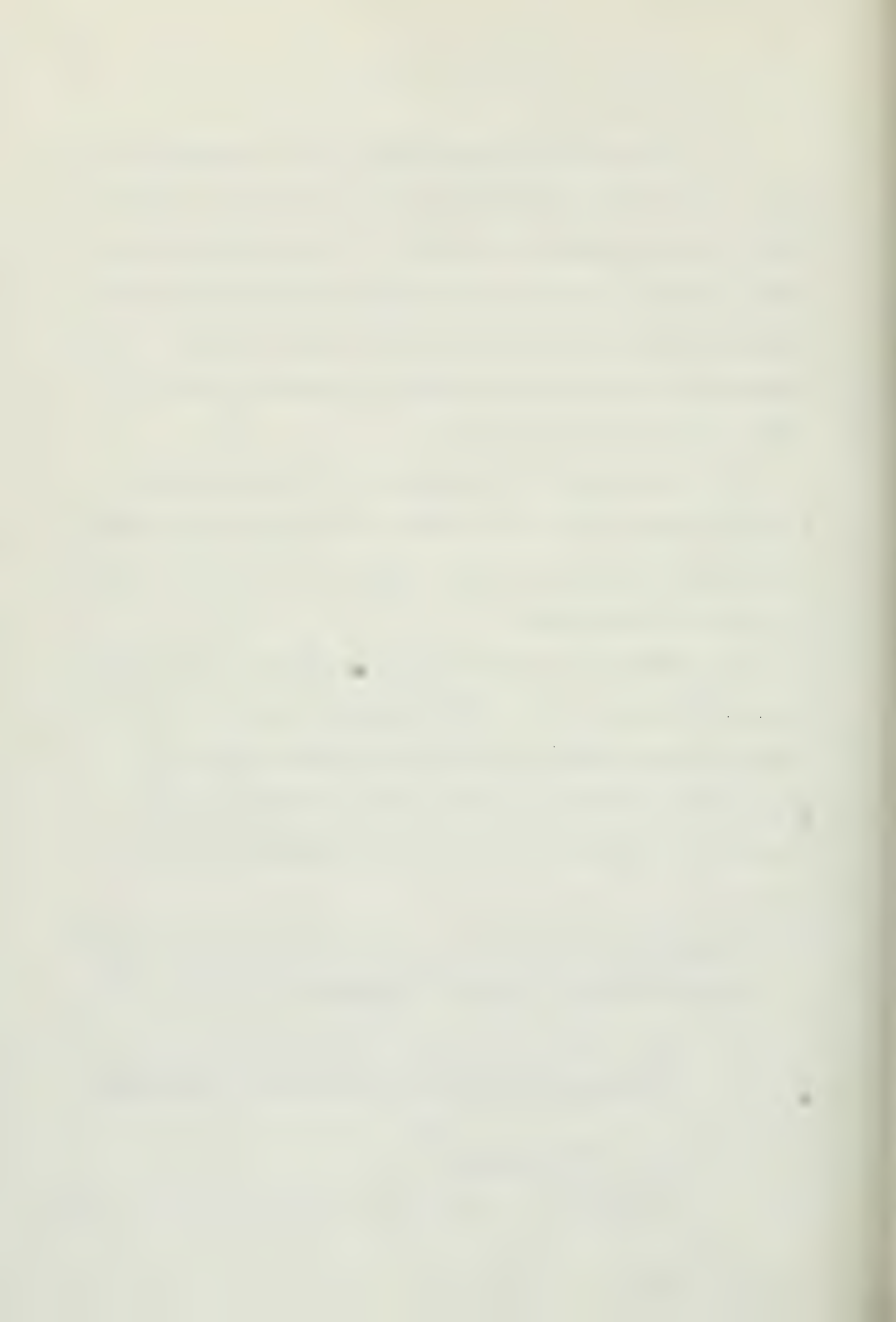
Thus, plaintiff failed to produce any evidence to support any of his claims against Hawaiian Electric, and it is submitted that this complete lack of evidence left the trial court with no alternative but to direct a verdict in Hawaiian Electric's favor.

II. The judgment in favor of Hawaiian Electric should be affirmed because there is no merit to any of the arguments asserted by plaintiff.

A. Answer to plaintiff's argument in respect to the directed verdict for Hawaiian Electric

1. Introduction

Plaintiff's argument as to the directed verdict



for Hawaiian Electric consists of five brief sections appearing on pages 32 through 39 of plaintiff's brief.

Plaintiff's arguments are difficult to follow. Furthermore, plaintiff does not discuss what test should be used to determine whether the directed verdict was properly granted. Finally, plaintiff points to no evidence that created any issues as to Hawaiian Electric as to which reasonable minds could differ.

Plaintiff's arguments will be answered in the order in which they appear in plaintiff's brief.

2. Plaintiff's argument that the court departed from all standards

Plaintiff first sets forth various issues as to Hawaiian Electric as they appeared in the pretrial order and as they were referred to by Judge Pence in an oral decision (O.B. 32 and 33). However, there is no mention in this section of any evidence which would have justified submission of any of these issues to the jury.

Plaintiff next lists several conclusions reached by the court during the course of the argument on Hawaiian Electric's motion for a directed verdict.



However, again there is no mention of any evidence that would lead to the belief that reasonable men would differ as to the validity of these conclusions.

Finally, plaintiff quotes several statements made by the court at the time of granting Hawaiian Electric's motion for a directed verdict, to the effect that the evidence "will sustain a finding" that plaintiff was not Hawaiian Electric's invitee and that if there was any liability on the part of the electric company, the plaintiff was contributorily negligent.

Plaintiff has overlooked the court's order of January 25, 1967, wherein the court ordered that a verdict be entered for Hawaiian Electric on the grounds, first, that the plaintiff had failed to adduce any substantial evidence of any negligence upon the part of Hawaiian Electric which was a proximate cause of plaintiff's injuries and, second, that the evidence established as a matter of law that plaintiff was guilty of contributory negligence which was a proximate cause of his injuries.

If the court was correct that the plaintiff had failed to adduce any substantial evidence of Hawaiian





Electric's negligence or that plaintiff was guilty of contributory negligence as a matter of law, then the judgment in favor of Hawaiian Electric must be sustained, and the particular reasoning used by the court in its oral decision granting the motion is irrelevant.

Plaintiff does not discuss what tests should be applied in determining whether the trial court was correct in granting the directed verdict for Hawaiian Electric.

These tests are set forth in 5 Moore, Federal Practice ¶ 50.02 at 2317 (2d ed. 1966), where it is stated that a directed verdict is normally used, first, where there is complete absence of pleading or proof on an issue or issues material to the cause of action and, second, where there are no controverted issues of fact upon which reasonable men could differ. Moore goes on to state on page 2320 that, "a verdict will normally be directed where both the facts and the inferences to be drawn from the facts point so strongly in favor of one party that the court believes that reasonable men could not come to a different conclusion."



Thus, the issue here is not whether the trial court followed the proper path in coming to the conclusion that the directed verdict should be granted, but whether there was either a complete lack of evidence to create any issues to submit to the jury in respect to the claim against Hawaiian Electric or whether the evidence viewed most favorably for the plaintiff created any issues as to which reasonable minds might differ. As shown in section I of this argument there was a complete lack of evidence supporting any of the plaintiff's claims against Hawaiian Electric as outlined in plaintiff's theory in the pretrial order.

3. Plaintiff's argument that the evidence created issues that should have been determined by the jury.

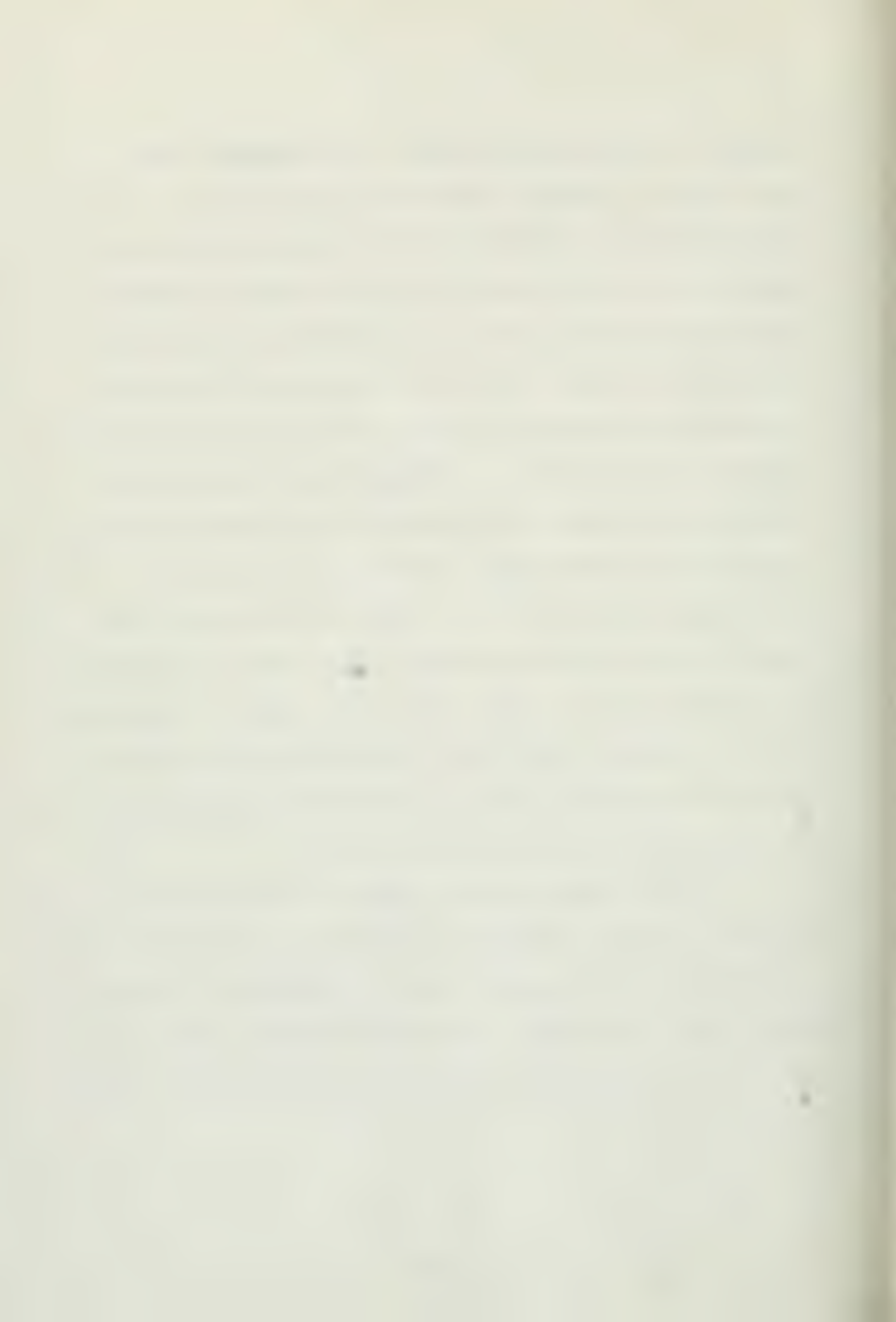
If, in fact, the evidence did create issues as to Hawaiian Electric, then the claim against Hawaiian Electric should have been submitted to the jury. However, plaintiff does not point to any such evidence. Instead, plaintiff merely refers to claims made by plaintiff's attorney during the course of oral argument on plaintiff's motion for judgment notwithstanding the verdicts without pointing to any testimony or documentary





evidence to support the claims. For example, the first item of supposed "substantial evidence" is the bare statement, "Hawaiian Electric did not warn the plaintiff of the presence of 46,000 volts of electricity present at his place of employment", followed by a reference to page 1414 of the transcript (O.B. 34). On referring to page 1414 one finds that it is a transcript of plaintiff's oral argument in support of his motion for judgment notwithstanding the verdict which was heard five days after the trial had concluded. Furthermore, plaintiff's attorney did not during the course of this argument at page 1414 refer to evidence, but merely makes the bald assertion, "Now, the Hawaiian Electric Company didn't warn the plaintiff of the presence of the 46,000 volts of electricity present at his place of employment" (Tr. 1414).

The second supposed item of "substantial evidence" is the statement, "46,000 volts of electricity is a dangerous instrument", with a reference to page 1415 of the transcript. When one examines the transcript it is seen that, again, the plaintiff has merely repeated



a bare assertion of fact made during the course of argument on a motion following the trial.

The third supposed item of "substantial evidence" is the statement, "that Hawaiian Electric was negligent in failing to fulfill its duty of care commensurate with the dangerous instrumentality (Tr. 1416), toward a person lawfully upon the premises (Tr. 1418)." Again plaintiff has merely referred to assertions made during the course of oral argument, but this time not only has he failed to point to any evidence, but he has merely repeated an earlier assertion that he made as to an ultimate fact without giving the slightest hint as to the whereabouts of the evidence as to the supposed negligence, or as to the basis of the supposed duty of care.

Plaintiff's final supposed item of "substantial evidence" is the statement, "The absence of warning signs lured the plaintiff into a feeling of safety (Tr. 1423-1424) which was, in effect, a trap (Tr. 1428-1429)." Again, plaintiff is merely repeating assertions made during the course of oral argument on his motion following the trial.



It can be assumed that there was evidence from which the jury could infer that Hawaiian Electric did not warn the plaintiff of the presence of 46,000 volts of electricity at the government's Kunia facility, and it also can be assumed, with or without evidence, that 46,000 volts of electricity is dangerous if one comes into contact with it. However, plaintiff has utterly failed to point to any evidence from which it could be inferred that Hawaiian Electric was negligent "in failing to fulfill its duty of care commensurate with the dangerous instrumentality." What duty is the plaintiff talking about, and what does the plaintiff claim Hawaiian Electric failed to do to fulfill that duty? Plaintiff does not say.

Furthermore, even if it be assumed that the absence of warning signs "lured the plaintiff into a feeling of safety which was in effect a trap", there is no evidence whatsoever from which it can be inferred that the absence of warning signs was in any way attributable to Hawaiian Electric or that Hawaiian Electric had any power or duty to provide warning signs.

It is submitted that plaintiff has failed to point to any evidence whatsoever creating any issue





which would have justified the court in submitting to the jury the plaintiff's claim against Hawaiian Electric.

4. Plaintiff's argument that the court erred in predicating Hawaiian Electric's duty of care toward plaintiff on his lack of status as Hawaiian Electric's invitee
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It is, of course, true that Hawaiian Electric has a duty to use due care in the installation and maintenance of its electrical equipment, even though such equipment is situated on the property of others, and if Hawaiian Electric breached this duty, it could be held liable for injuries to any person who might reasonably be expected to be on the premises. However, plaintiff does not give the slightest hint of the existence of any evidence which in any way suggests that Hawaiian Electric failed to exercise due care in the installation or maintenance of any of its equipment that was located at the Kunia facility, and it is submitted that a thorough examination of the record in this case will fail to reveal any such evidence.

It is true that during the course of argument on Hawaiian Electric's motion for a directed verdict



the court stated that plaintiff was not Hawaiian Electric's invitee. This fact is indisputable. Plaintiff was on property that was owned, occupied and controlled by the United States, and he was there because he was performing work for the United States pursuant to a contract between the United States and plaintiff's employer. There is no evidence whatsoever that anything that plaintiff was doing was of any interest or benefit to Hawaiian Electric or in any way related to any of Hawaiian Electric's equipment.

It is also clear from the evidence that the facility where plaintiff was injured was completely safe and harmless until plaintiff detached from its ground anchor a guy wire belonging to the United States and somehow brought it into contact with a wire that also belonged to the United States and that was energized by electrical current also belonging to the United States. Under these circumstances the trial court was correct in holding that since plaintiff was not Hawaiian Electric's invitee, Hawaiian Electric did not have a duty to make the government's premises safe for plaintiff to detach the guy wire or to see that





plaintiff performed his work in a manner so that he would not be injured. In this the court is supported by the cases.

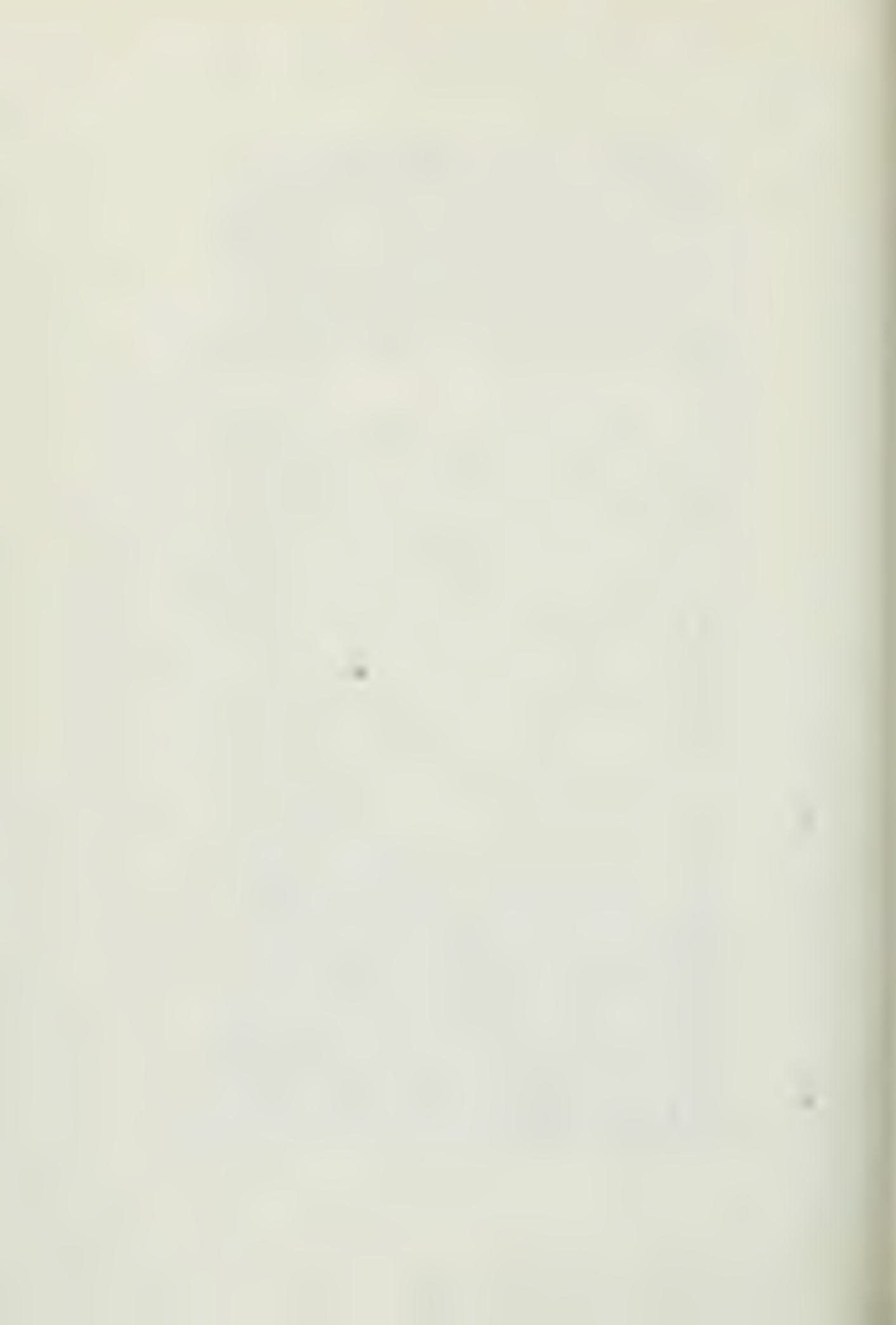
In Leslie v. City of Monterey, 34 P.2d 837, the City of Monterey hired a contractor to build a fence around its baseball park. A part of the fence was to be built beneath a 22,000 volt line of Pacific Gas & Electric Company which had a franchise to maintain its line there. During the construction of the fence a pipe came into contact with PG&E's line and plaintiff, who was an employee of the contractor building the fence, was injured. A verdict was rendered against PG&E, and on appeal it was held that a nonsuit should have been granted because plaintiff was not PG&E's invitee.

"[4] It appeared from the evidence that the appellant Pacific Gas and Electric Company, a corporation, owned a franchise, and under such franchise was permitted to maintain its wires at the time and place mentioned in the pleadings, and that as such owner and possessor of such franchise owed no duty to a trespasser or licensee save and except it must refrain from such acts or conduct as might result in a wilful or wanton injury to a trespasser or



licensee. On the other hand, the property owner or owners of the franchise owe to an invitee the duty to keep the premises in a safe condition. Consequently it becomes important to determine from the facts which were developed by the evidence, whether it can be said that a jury could have properly found that plaintiff was an invitee.

"[5] We think it must be conceded that, as to the appellants, plaintiff had not been expressly or impliedly invited to enter upon their property. There is no evidence which in the slightest degree indicates that there was an express invitation, nor is there any evidence that there was an implied invitation. The plaintiff was employed by a contractor and not by the appellants. The work upon which he was engaged cannot fairly be said to have been beneficial to the appellants herein, or to have been done at their request. It was beneficial only to the city of Monterey and to the contractor who performed the work. The appellants were not at all interested in the construction of the said fence and backstop, nor was there any contractual relation between the appellants and plaintiff, or plaintiff's employer. We think, therefore, the evidence clearly indicates that the work on which plaintiff Leslie was engaged at the time the injury occurred, bore no relation to the business of the appellants, nor were they interested therein. *Aguilar v. Riverdale C. C. Ass'n*, 104 Cal. App. 263, 285 P. 889; *Hall v. Southern California Edison Co.*, *supra*.



"Under the authority of the case of Hall v. Southern California Edison Co., supra, it follows that the trial court erred in denying appellant's motion for nonsuit."

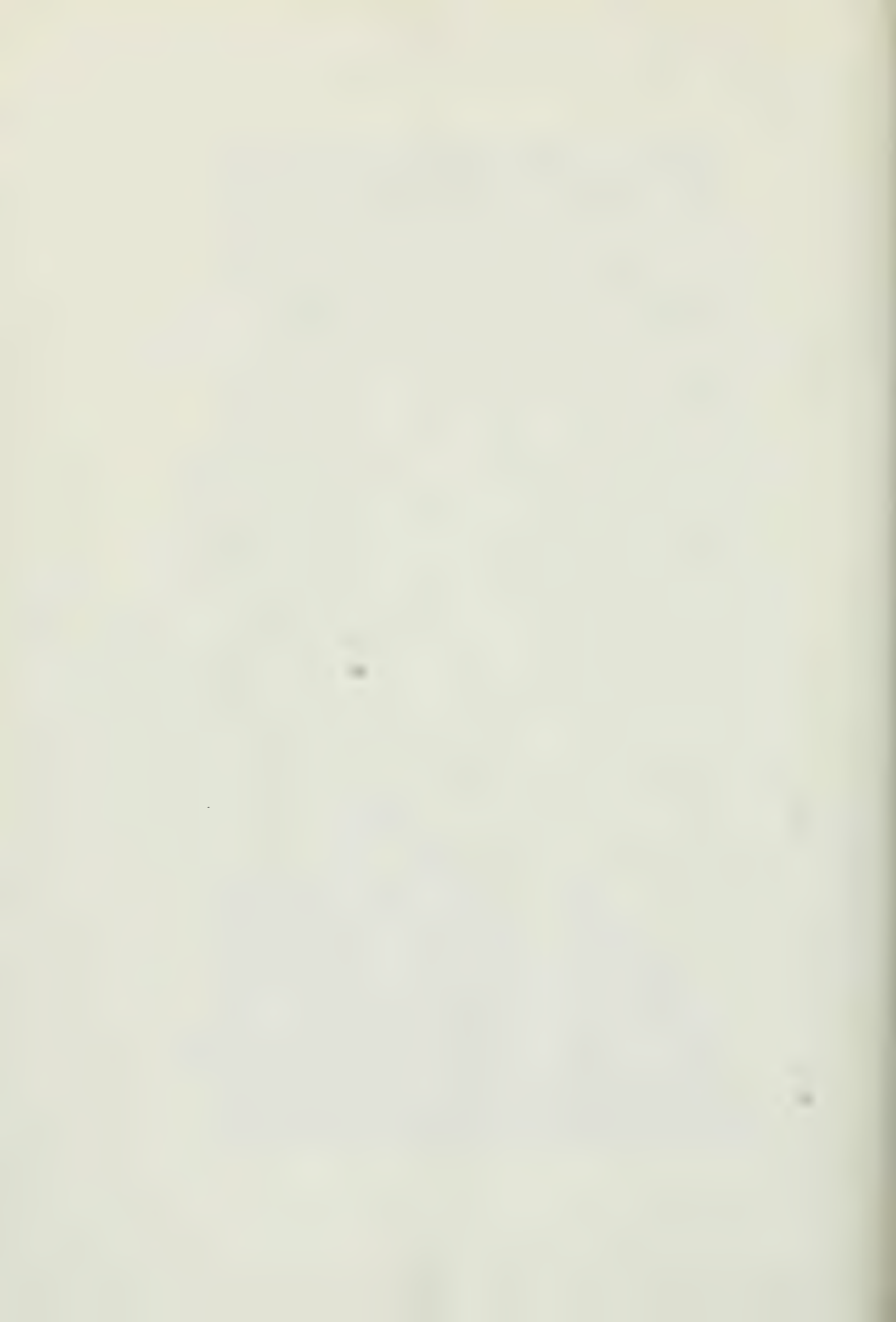
In Hall v. Southern California Edison Co., 30 P.2d 1013, the Southern California Edison Company transmitted electricity to a pumphouse on land belonging to the Littles by means of its wires running across the Little property and which were fastened to a pole that had been erected by the Edison Company on the Little property. The Littles decided to move their pumphouse and hired an electrical contractor to disconnect the wires from the pumphouse. Plaintiff was an employee of the electrical contractor and was sent to do this work. He climbed the aforesaid pole and cut the wires whereupon the pole fell down and plaintiff was injured. Although plaintiff was clearly an invitee of the Littles, it was held that he was not an invitee of the Edison Company so that the nonsuit as to the Edison Company was correct:

"We think that it must be conceded that, as to the Southern California Edison Company, appellant had not been expressly invited to enter upon their





property. There is no evidence which in the slightest degree indicates that there was an express invitation. However, it must also be conceded that it is not essential that there was an express invitation by the Edison Company to appellant in order that it may be said that appellant was an invitee. It is sufficient if it may fairly be declared that the evidence discloses that there was an implied invitation. *Aguilar v. Riverdale C. C. Ass'n*, 104 Cal. App. 263, 285 P. 889. The existence of an implied invitation depends, in the final analysis, on the nature of the business which brought appellant upon the premises of the Edison Company. Appellant contends that his purpose in ascending the pole, which was the property of the Edison Company, was one which was of mutual benefit to himself and the company. It is argued that it was of benefit to him because he would receive remuneration for doing the work in which he was engaged and of benefit to the Edison Company because by the accomplishment of this work the Edison Company would be enabled to continue the sale of electric energy to a satisfied customer. The contention is ingenious but not impelling. The work upon which appellant was engaged cannot fairly be said to have been beneficial to the Edison Company. It was beneficial to the Littles because they desired to change the location of the pump and they had procured appellant to perform the work which was necessary to be done to effect this change of location. The Edison Company was not at all interested in the proposed change of location of the pump. There was no contractual relation between the Edison Company and



appellant or appellant's employer. We think, therefore, that the evidence clearly indicated that appellant entered upon the property of the Edison Company for purposes of his own and of the Littles and that the work in which appellant was engaged at the time the injury occurred bore no relation to the business of the Edison Company, owner of the pole. Aguilar v. Riverdale C. C. Ass'n, supra. It follows that the trial court's action in granting the nonsuit as to respondent Southern California Edison Company was correct and must be sustained."

In Hayden v. Paramount Productions, 91 P.2d 231, Paramount owned property on and over which defendant City of Los Angeles Department of Water and Power had a right of way to maintain poles, wires and fixtures for carrying 33,000 volt current. Paramount employed a contractor to build a building on the property. The contractor subcontracted the steel work to Bethlehem Steel Company. Plaintiff was a Bethlehem employee who was injured when another Bethlehem employee brought a steel column into contact with one of the City's power lines. Plaintiff brought suit against the City and others. Although the City was in a sense using Paramount's land in maintaining its poles thereon, a nonsuit in favor of the City was





affirmed, in part, on the ground that plaintiff "was not an invitee of the City. . . ."

See also Roe v. Narragansett Electric Co., 166 A. 695.

In each of the foregoing cases the plaintiff was injured as a result of a contact with the defendant electric company's equipment, but nevertheless it was held that the electric company was not liable. In the present case there is no evidence that plaintiff came into contact with any of Hawaiian Electric's equipment, so that this case is even weaker for the plaintiff than the ones just cited.

The foregoing cases make it clear that Hawaiian Electric did not have any duty to render the government's property safe or to protect the plaintiff from injury resulting from changes in the condition of the government's premises brought about by the plaintiff.

5. Plaintiff's argument as to contributory negligence

Plaintiff is correct that the issue of contributory negligence is ordinarily for the jury. However, if the evidence is such that all reasonable men

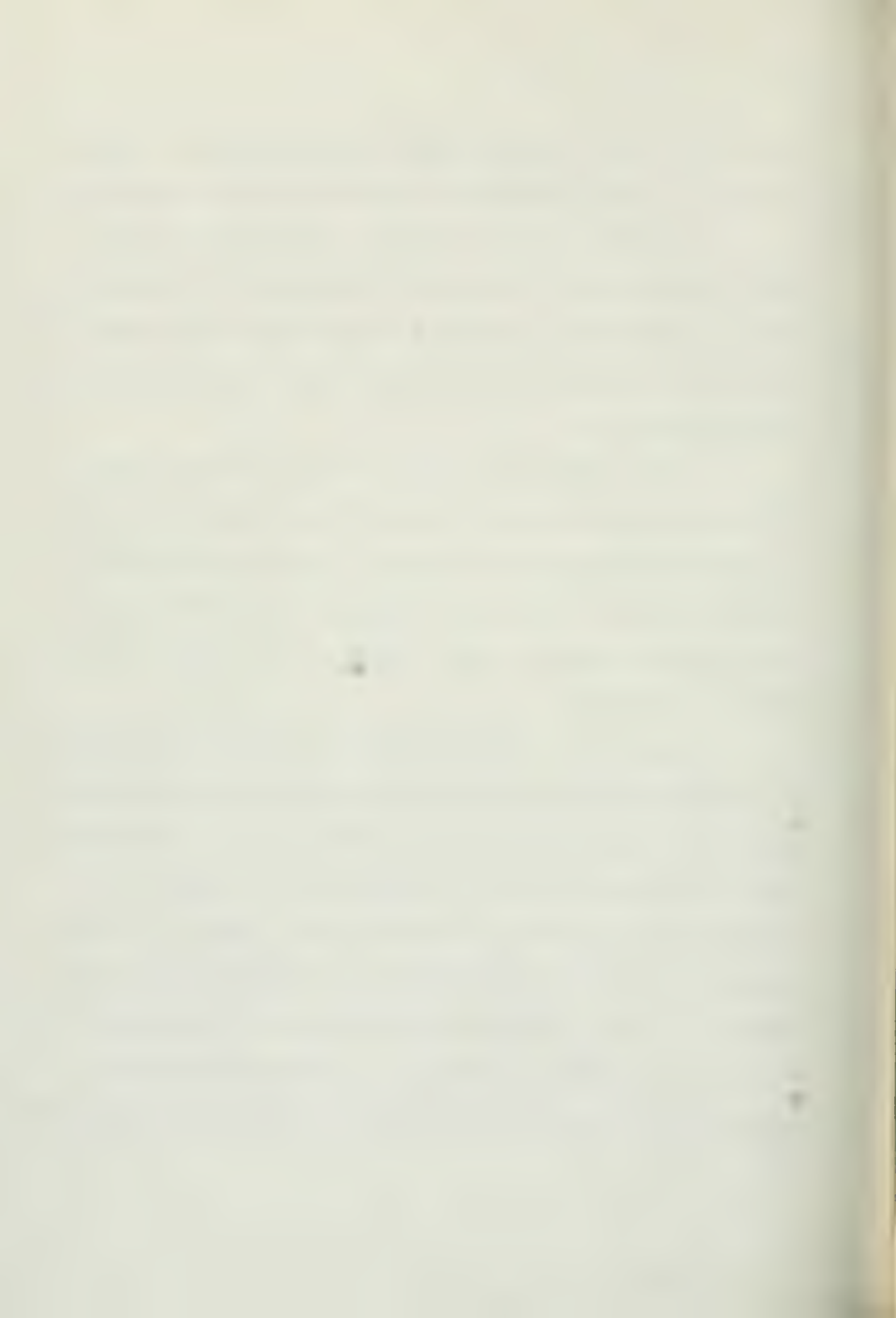


would agree that the plaintiff was contributorily negligent, a verdict should be directed for the defendant.

In the present case the photographs of the Kunia installation, which were introduced in evidence, make it obvious that it was a high voltage electrical facility. Certainly all reasonable men would agree that this was so.

The evidence as to plaintiff's examination of the Kunia facility and his past experience in construction work around electrical facilities makes it obvious that all reasonable men would agree that he must have been aware of the nature of the Kunia facility (Tr. 365-375).

While the plaintiff had a right to assume that the installation was safe and that there was no electricity in the guy wire, he had a right to these assumptions only so long as he did not change the installation by detaching the guy wire from its ground anchor. No construction worker can possibly be unacquainted with the dangers of high voltage electricity and no construction worker, if he gave the matter the slightest thought, would fail to realize that it would be extremely dangerous

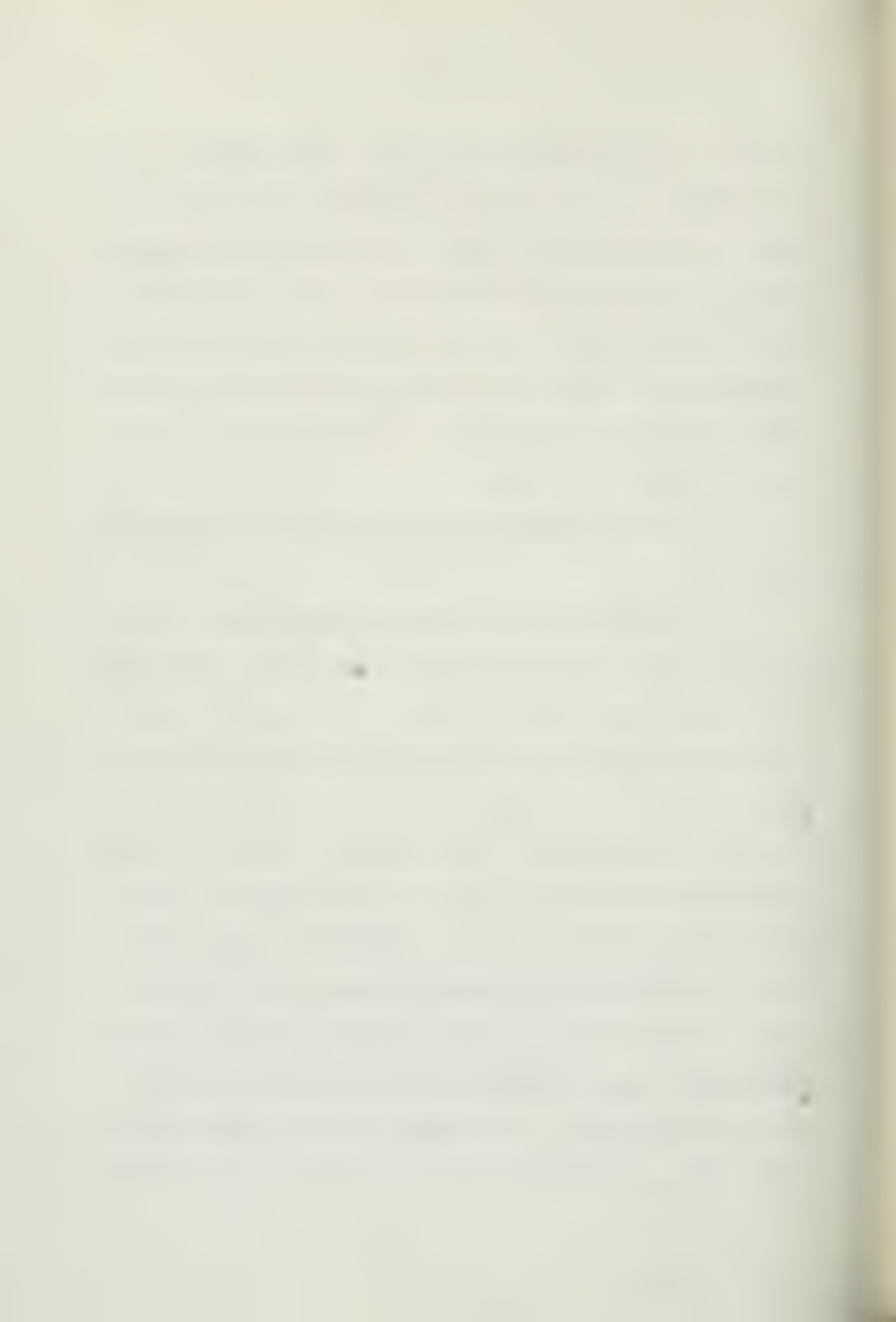


to alter a high voltage facility in any way and that detaching a guy wire from its anchor would instantly create the possibility that it would become energized through contact with a live wire. It is submitted that all reasonable men would agree with these propositions so that the trial court was correct in ruling that the plaintiff was guilty of contributory negligence as a matter of law.

In this the trial court is supported by the authorities.

In Rank v. Metropolitan Edison Co., 370 Pa. 107, 87 A.2d 198, the plaintiff's decedent, while gathering hay, found that the path of his harvester was blocked by a guy wire stretched across the hay field from a pole in the center of the field to a pole at the side of the field. The decedent removed one end of the guy wire from the pole in the center of the field and started to drag it toward the edge of the field. After he had dragged the guy wire about 140 feet, the guy wire came into contact with one of the defendant's high voltage lines and as a result the decedent was killed. The trial court granted a nonsuit on the ground that the decedent had been guilty



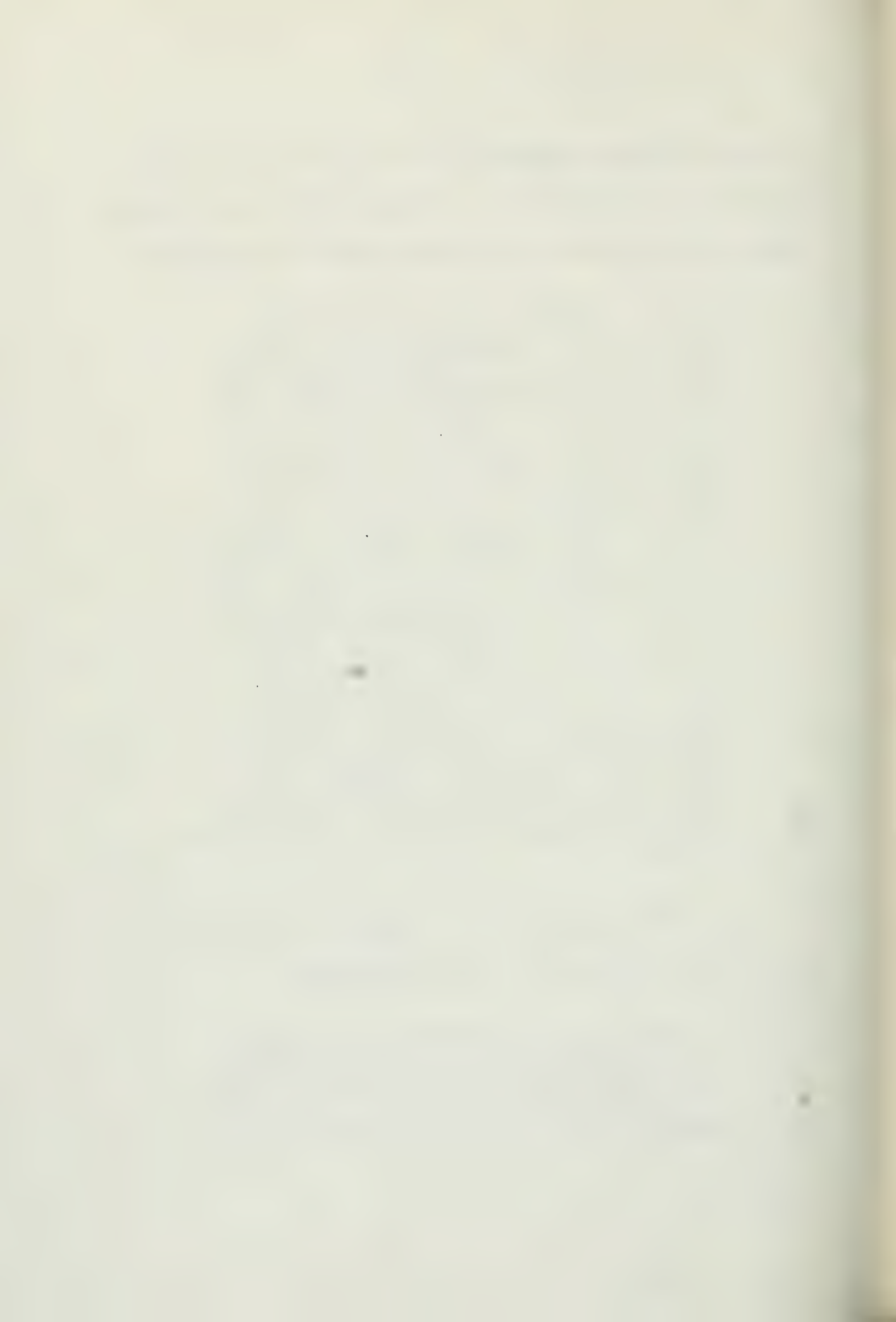


of contributory negligence as a matter of law and the plaintiff appealed. On appeal the court quoted from the decision of the trial court as follows:

"'. . . However, assuming that the defendant was chargeable with negligence, we are of the opinion that the facts and circumstances testified to in this case so clearly showed that the decedent was chargeable with contributory negligence that reasonable persons would not fail to agree with that conclusion. We are of the opinion that the decedent not only heedlessly brought himself into a position that the guy wire came in contact with the distribution circuit, but that the manner in which the decedent removed the guy wire and moved it in a direction in which it was certain to come in contact with the distribution circuit, was foolhardy. Any reasonable person would know that when two wires that were not insulated came into contact, one of which was charged with electricity, that the other was bound to become charged with it.'" 55 A.L.R.2d at 122.

The appellate court agreed with the trial court as is indicated by the following:

"There was no evidence or suggestion that the guy wire which of itself was sterile of electricity was affixed to the two poles in a manner that would produce danger to those in lawful



proximity or liable to come accidentally or otherwise in contact with it. It had remained, as originally affixed to the two poles, without incident. Only if tampered with and removed from its location could it become charged with electricity. It is not necessary to decide whether such possible removal fell within a foreseeable orbit of danger, for, assuming negligence on the part of the defendant, the decedent's action was a proximate cause of the accident making him clearly guilty of contributory negligence." 55 A.L.R.2d at 122 (emphasis added).

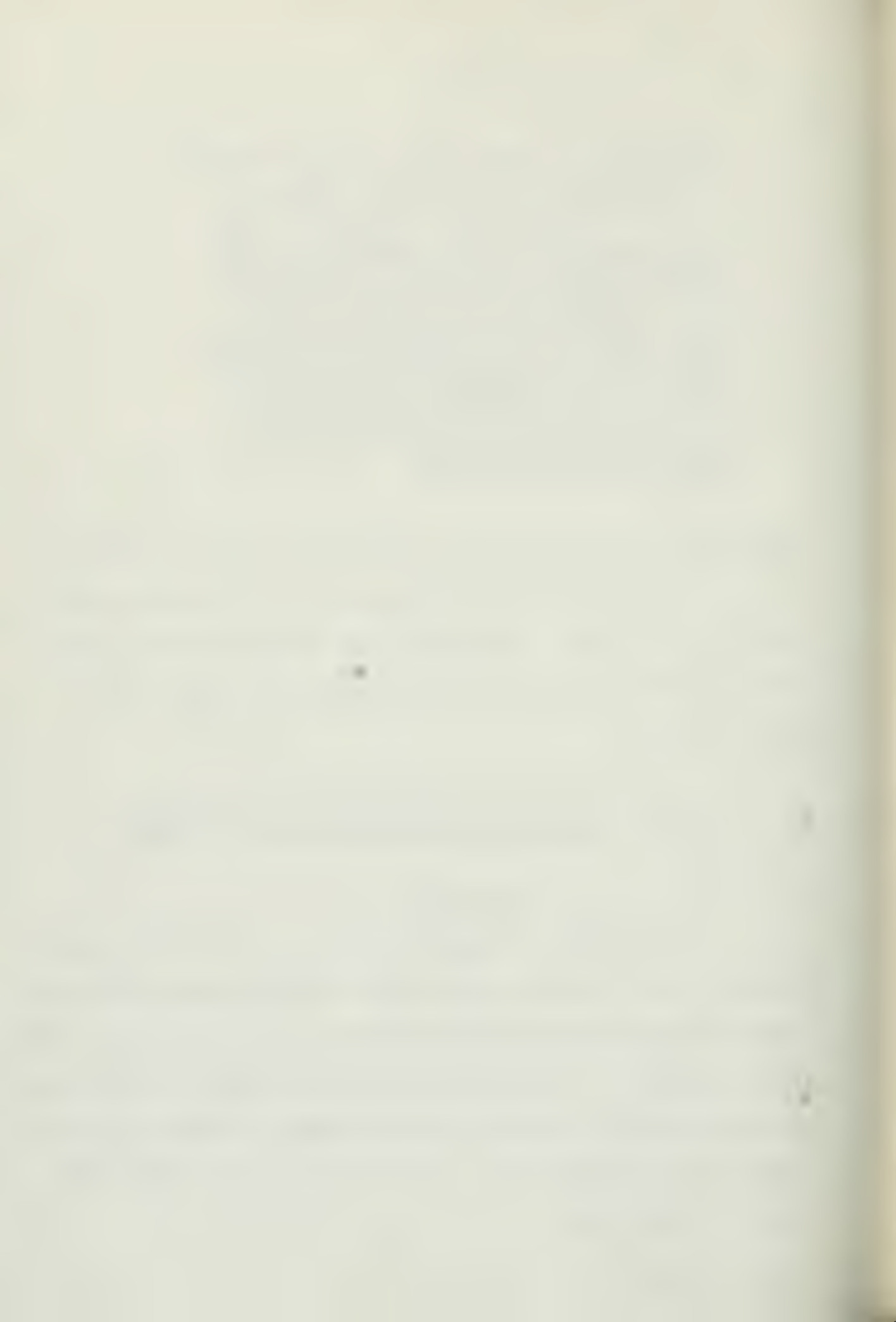
Accordingly, the decision of the trial court was affirmed.

In view of the foregoing, it is submitted that the trial court was correct in concluding that the plaintiff had been guilty of contributory negligence as a matter of law.

6. Plaintiff's argument that "Hawaiian Electric violated its duty to post"

a. Introduction

Plaintiff's argument here is that the National Electric Code and the rules of the Hawaii Public Utilities Commission required Hawaiian Electric to post a sign warning plaintiff of the presence of high voltage electricity and that since no sign was posted "Hawaiian Electric violated a government safety order and was, therefore, negligent" (O.B. 39).



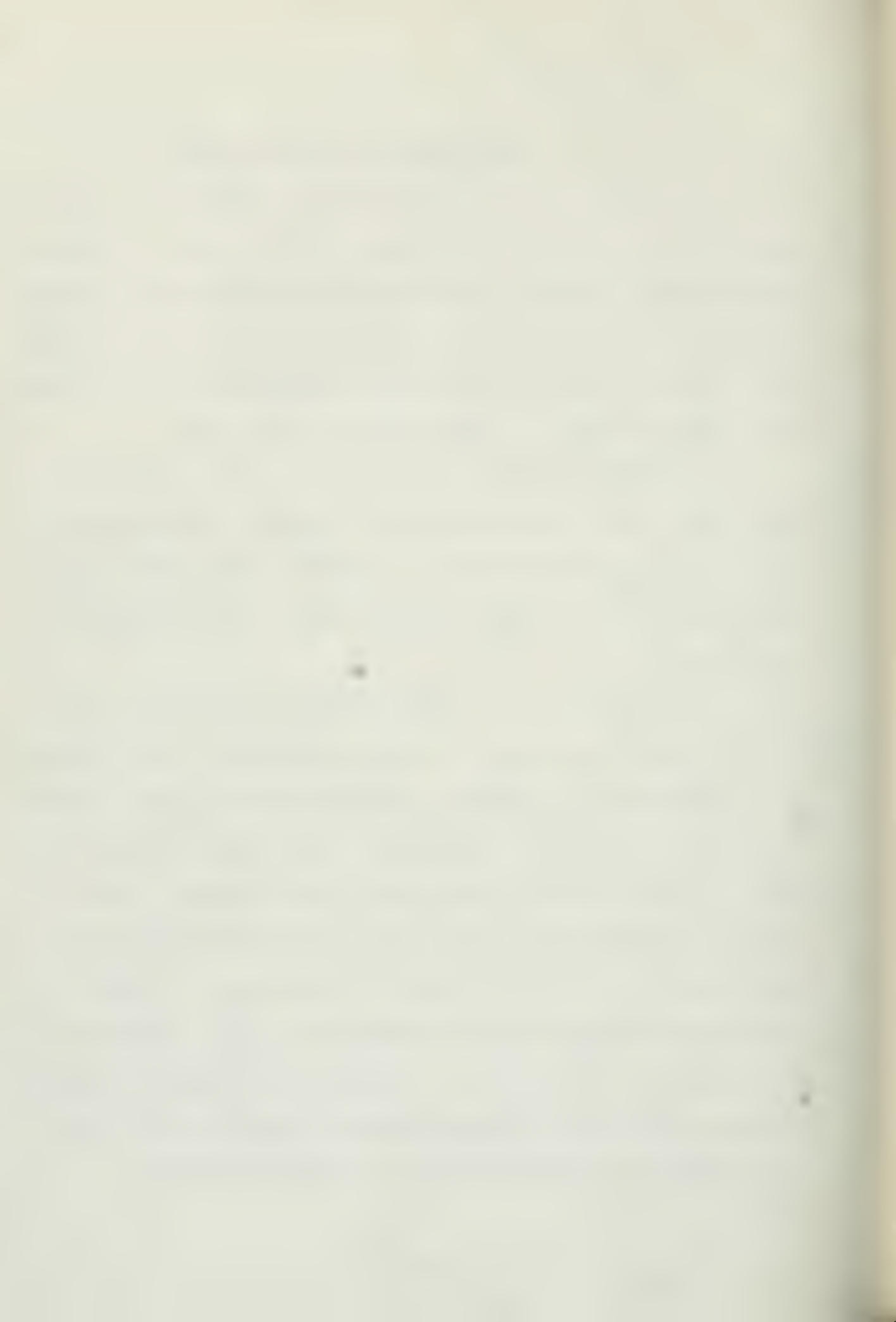


b. The National Electric Code

This portion of plaintiff's argument is based upon a provision of the National Electric Code. However, the National Electric Code was not admitted into evidence nor did the court take judicial notice of it. The plaintiff did not offer the Code into evidence nor did he make any offer of proof of any portion of the Code.

Since the Code is not in evidence, it seems that this court cannot determine whether the provision quoted by plaintiff actually applied to the Kunia facility so as to impose any duty upon any of the parties to this case.

Even if this court would take judicial notice of the Code, this would not help plaintiff. The evidence is uncontradicted that the accident involving Mr. Poston occurred on premises belonging to the United States. Indeed in the pretrial order one of the admitted facts is that on September 10, 1964, the United States "was the sole owner, occupier and user" of the Kunia facility where the Poston accident occurred (R. 46). There is no provision in this Code nor is there any evidence that the National Electric Code had any applicability to facilities owned by the United States. Therefore, it is



submitted that even if the plaintiff had offered the National Electric Code into evidence, the offer would have been rejected on the ground that the Code was irrelevant.

c.     The rules of the Public Utilities  
          Commission

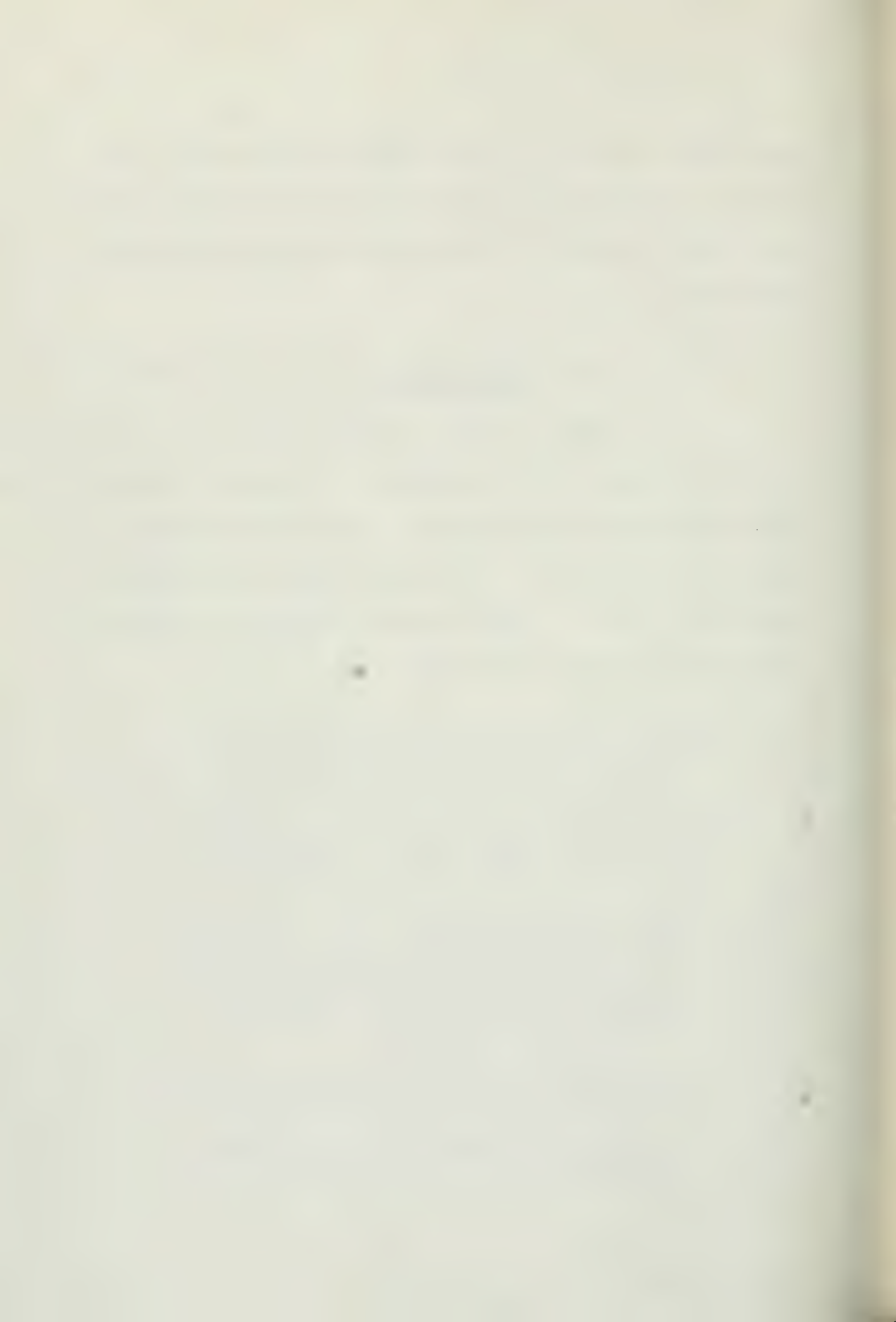
On page 38 of his opening brief plaintiff states that Mr. Zeigler, vice president of Hawaiian Electric, testified that Hawaiian Electric "was required to put up high voltage signs by the Public Utilities Commission rules (Tr. 434)". Apparently the testimony referred to on page 434 is the following:

"Q (By Mr. Ryan) At any installation where the Hawaiian Electric Company is delivering power in excess of 20,000 volts on the Island of Oahu is there a requirement that Hawaiian Electric Company post signs warning of the presence of high voltage?

"A The way you phrase it, no. What you are really trying to say is where we have high voltage, we put signs up, in accordance with the Public Utilities Commission rules. Is that what you are asking?

"Q All right, what signs do you put up in those instances?

"A We put up a sign that says, 'High Voltage'.



"Q And you put them on the poles?

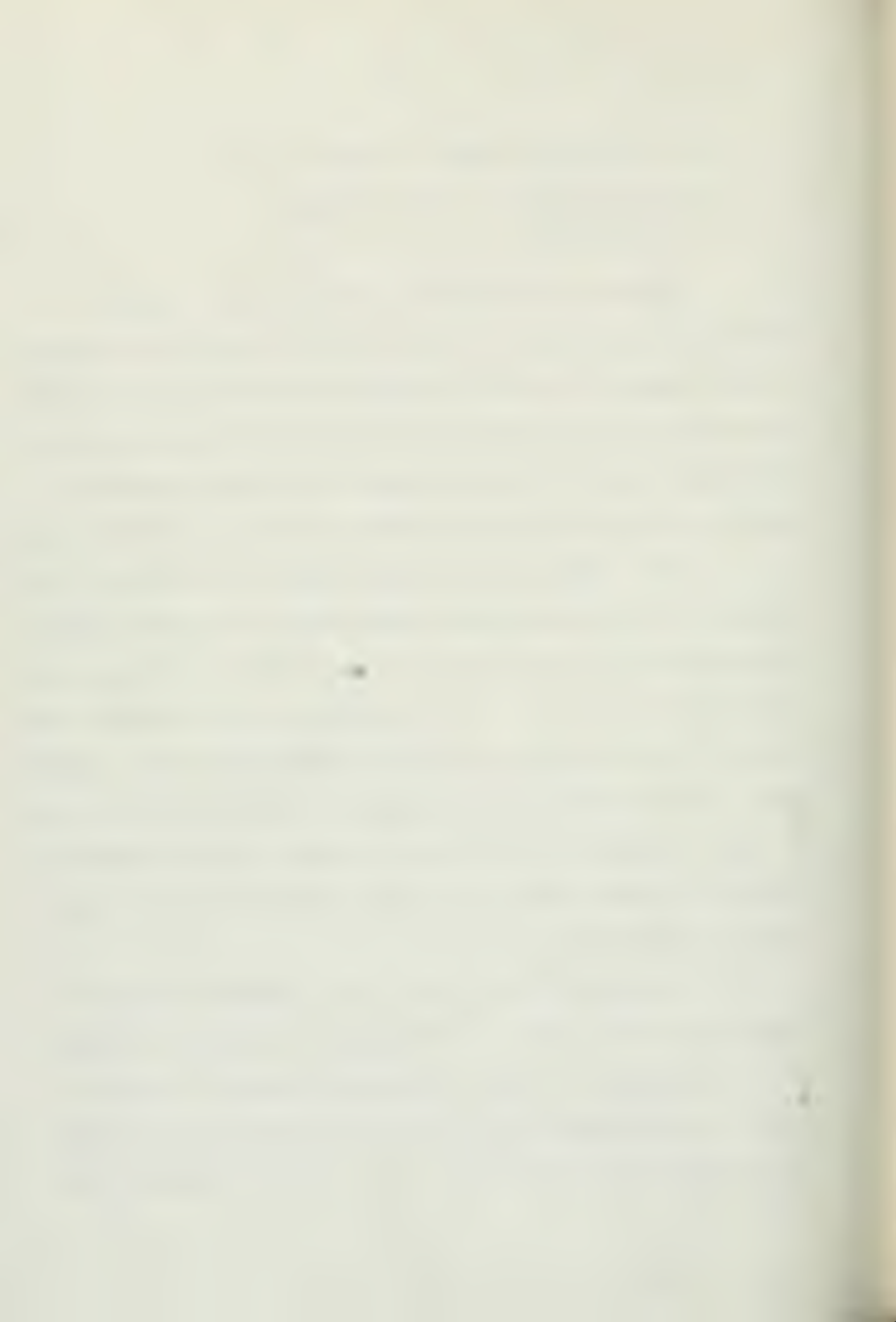
"A We put them on the crossarms."  
(Tr. 434)

Thus, Mr. Zeigler's testimony was actually exactly the opposite of what plaintiff intended to convey in his argument, for Mr. Zeigler testified that there was no requirement that Hawaiian Electric post signs warning of the presence of high voltage at installations where Hawaiian Electric delivers power in excess of 20,000 volts.

Mr. Zeigler did testify that in accordance with Public Utilities Commission regulations, Hawaiian Electric did place high voltage signs on crossarms carrying Hawaiian Electric current. However, there is no evidence that Hawaiian Electric ever failed to comply with this requirement, or that there was any Hawaiian Electric crossarm at or near the site of the Poston accident carrying Hawaiian Electric current that did not have affixed to it a sign reading "High Voltage".

It is true that one of the admitted facts is that there was no sign at the Kunia installation warning of the existence of high voltage electricity. However, there is no evidence that Hawaiian Electric had any duty to post any such sign, and in view of the admitted fact





that the United States was the sole owner, occupier and user of the facility, it seems clear that Hawaiian Electric did not have any power, much less any duty, to put up any high voltage signs.

It is submitted that the plaintiff has pointed to no evidence whatsoever to support his argument that "Hawaiian Electric violated its duty to post".

B. Answer to plaintiff's arguments pertaining to the pretrial order, blueprint Y & D 872808 and res ipsa loquitor

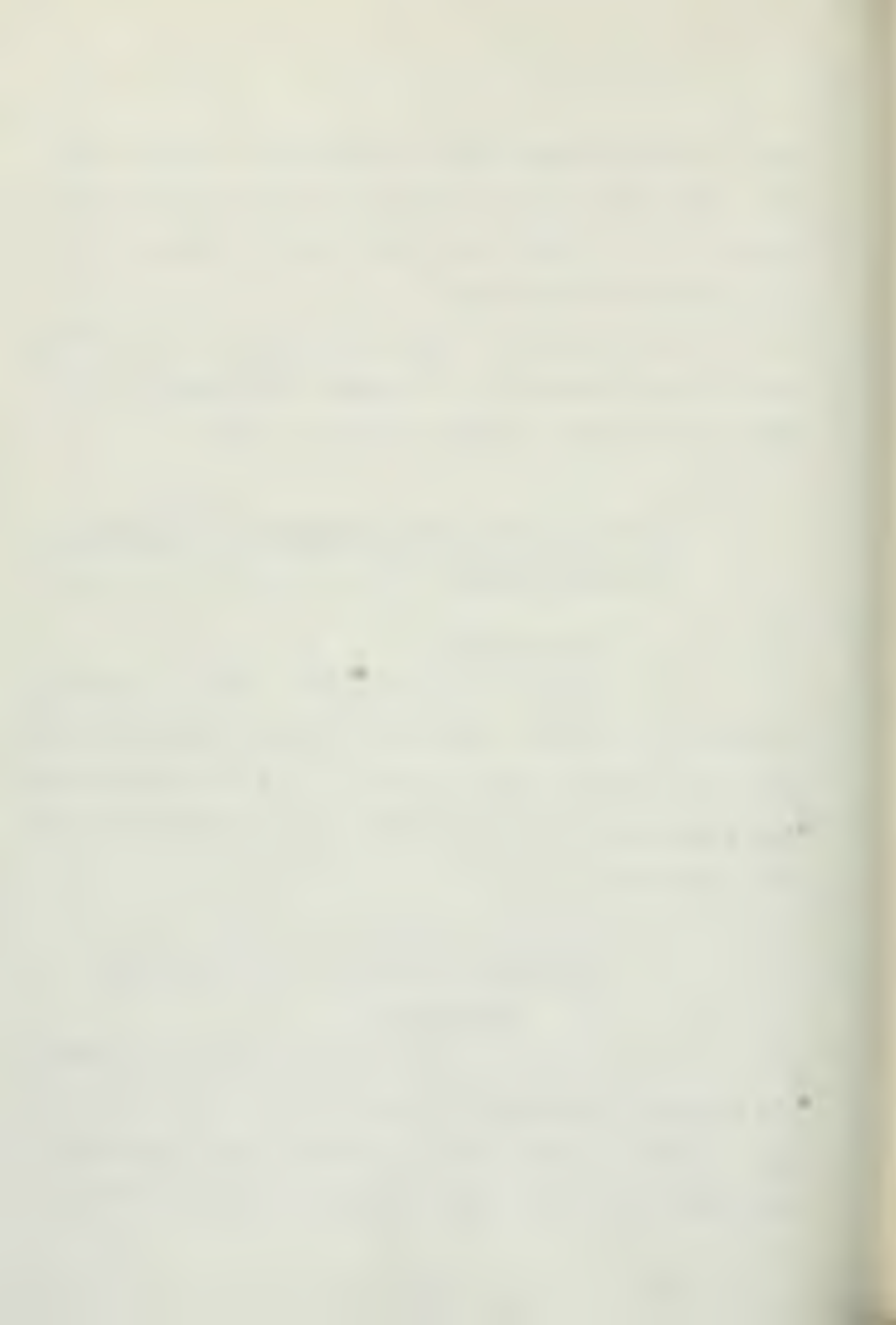
1. Introduction

In section IV of plaintiff's brief on pages 57 through 75, plaintiff sets forth various arguments pertaining to the pretrial order, blueprint Y & D 872808 and res ipsa loquitor. These arguments will be considered in the order presented.

2. Plaintiff's argument relative to the pretrial order

a. Introduction

As stated, the issue to be decided as to Hawaiian Electric is whether the court was justified in directing a verdict in its favor. Plaintiff has a long list of complaints as to the court's action in respect to the



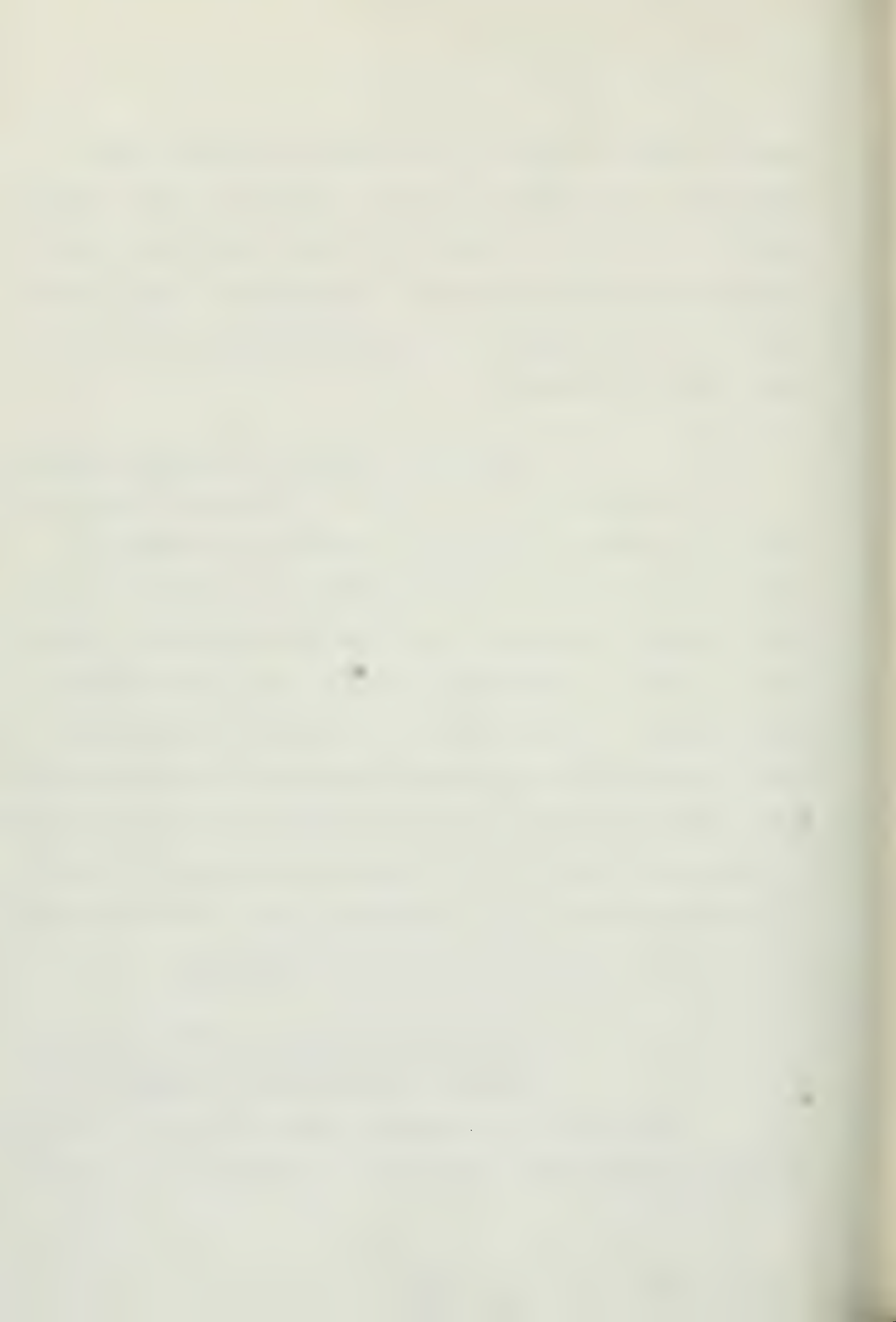
pretrial order. Even if all of these complaints were justified, that would not seem to change the issue, namely, whether the court was warranted in directing the verdict in favor of Hawaiian Electric. Nevertheless, each of the plaintiff's complaints will be considered in the order in which they are presented.

b. Plaintiff's motion re punitive damages

On page 59 of his brief, the plaintiff complains about the action of the court in denying his motion to amend the pretrial order to reinstate his demand for punitive damages. Plaintiff's attorney had signed the pretrial order in which no claim was asserted for punitive damages and, therefore, it was within the court's discretion to allow or disallow the amendment requested by the plaintiff. The court's refusal to allow the amendment certainly played no part in the trial court's directing a verdict in favor of Hawaiian Electric and, therefore, even if the court had made an error, such error was not prejudicial.

c. The court's action in respect to plaintiff's reference to the pretrial order in his opening statement

The plaintiff complains that during the course of his opening statement to the jury the trial court stopped



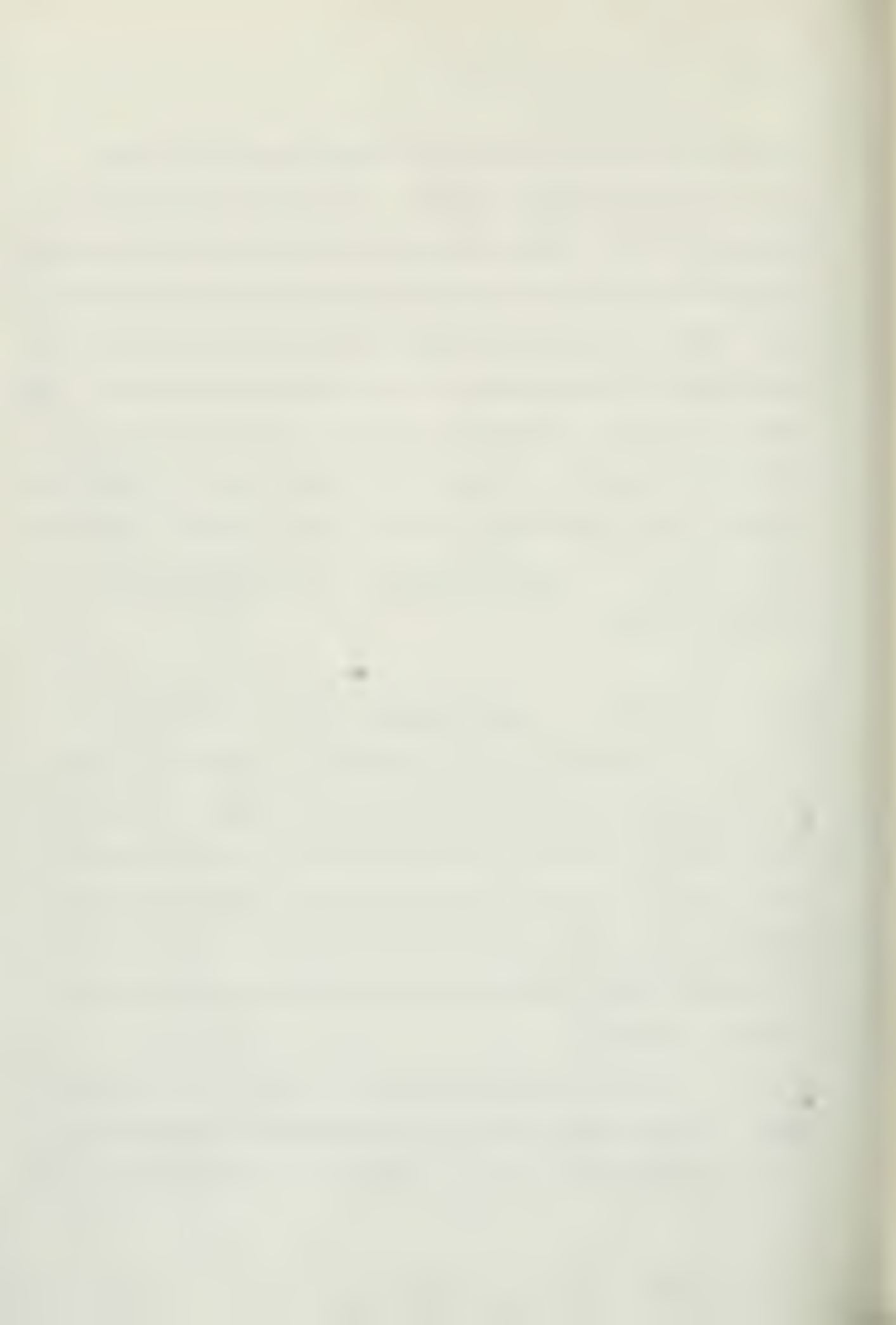


him from referring to issues of fact admitted by the parties in the pretrial order. Previously plaintiff had referred to all of the facts admitted in the pretrial order and had outlined his theory of liability as to each defendant. Thus, the court was not preventing plaintiff from outlining his entire case to the jury prior to trial. The court also made it clear to plaintiff that he could put before the jury the issues of fact that had been admitted, but that this should not be done in the opening statement. It is hard to see how the plaintiff was prejudiced by the court's action.

d. Elimination of the safe place to work theory

On pages 59 and 60 plaintiff complains of the court's elimination of the safe place to work theory from the plaintiff's case. Hawaiian Electric does not believe that this issue in any way concerns it. The safe place to work theory is mentioned in the plaintiff's theory as to the United States, but not in plaintiff's theory as to Hawaiian Electric.

In the issues of law as set forth in the pretrial order, issue number 5 is as to whether the United States was the plaintiff's employer within the meaning of section

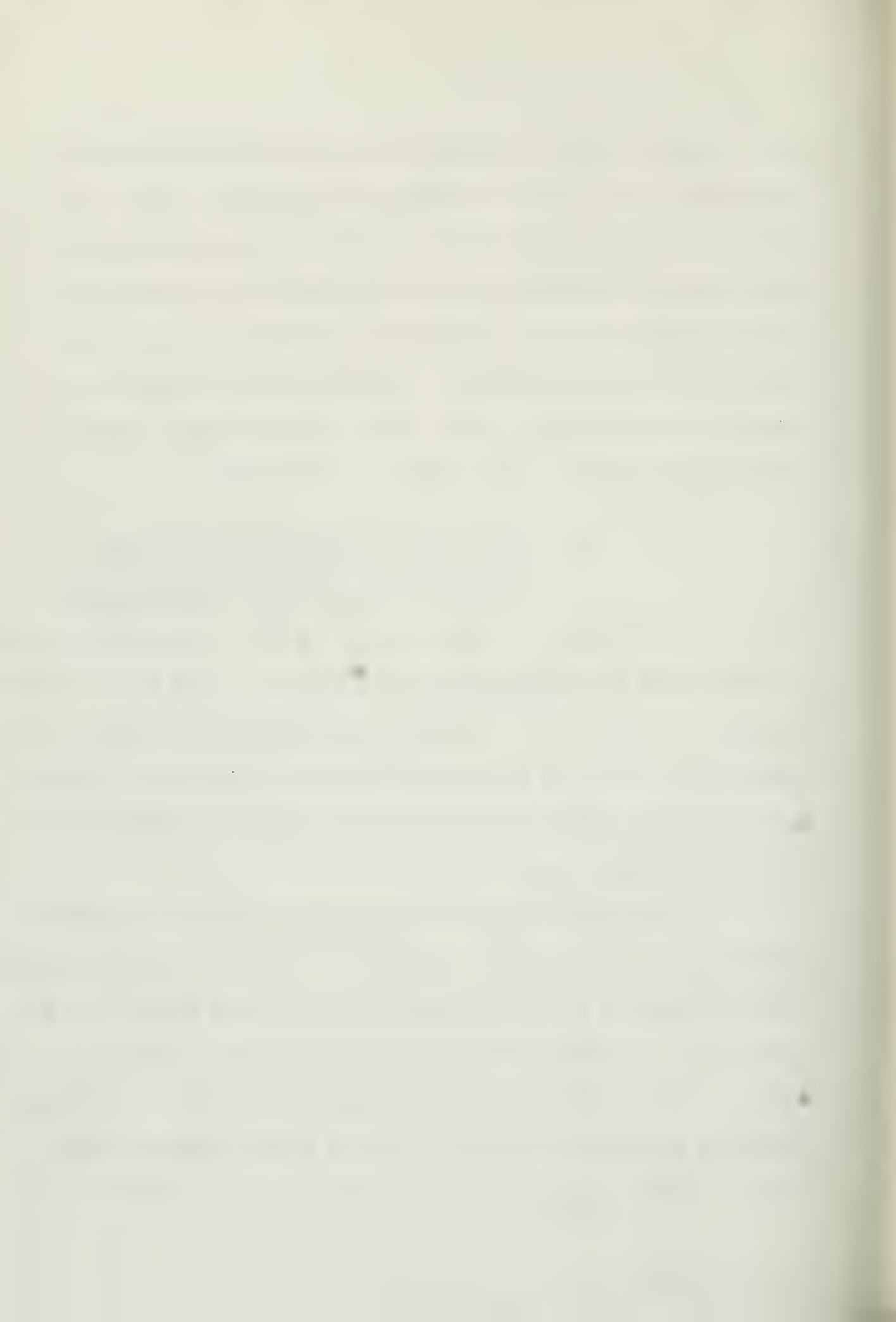


96-4, Revised Laws of Hawaii 1955, as amended, which is the Hawaii Safe Place of Employment Statute. Thus, it does not appear that Hawaiian Electric is involved in this issue. However, it may be noted that, since this was an issue of law, it had to be decided by the trial court one way or the other. Thus, what the trial court did was to decide the issue, not to eliminate it from the pretrial order, as claimed by plaintiff.

- e. Plaintiff's claim that the court failed to hold Hawaiian Electric to stipulations in the pretrial order

On page 60 of plaintiff's brief, plaintiff asserts a claim that is quite difficult to follow. It is not clear whether the plaintiff is complaining about misconduct by Hawaiian Electric's counsel, or of the trial court's failing to require Hawaiian Electric to abide by stipulations in the pretrial order.

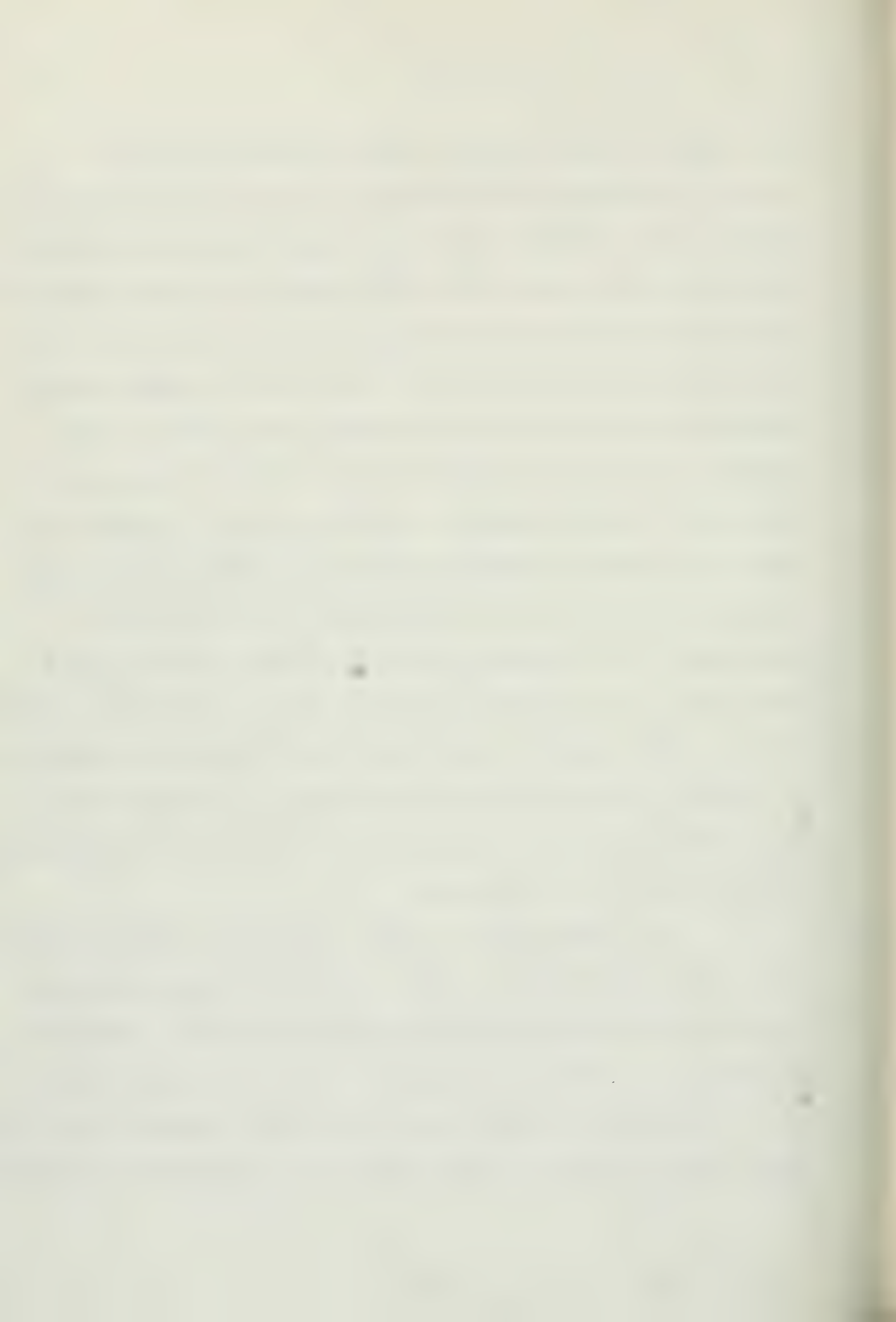
Plaintiff refers to arguments advanced by Hawaiian Electric's counsel at pages 847 to 849 of the transcript. These arguments were in support of Hawaiian Electric's motion for a directed verdict made at the close of plaintiff's evidence (Tr. 802). On page 846 of the transcript Hawaiian Electric's counsel started going through plaintiff's claims against Hawaiian Electric as set forth in



the section of the pretrial order entitled "III (a). Plaintiff's Theory" and showing how the evidence failed to support these claims. The trial court became momentarily confused at this point (Tr. 848) because he asked Hawaiian Electric's counsel whether he knew when he signed the pre-trial order that these "facts" were not as claimed by the plaintiff and, if so, why he signed the pretrial order. Hawaiian Electric's counsel pointed out that these were not facts to which Hawaiian Electric agreed, nor were they facts set forth in Hawaiian Electric's theory of the case, but were merely the claims asserted by the plaintiff. Furthermore, in Hawaiian Electric's theory of the case as set forth in the pretrial order (R. 44), plaintiff's claims are expressly controverted. How this could evince any lack of candor by Hawaiian Electric's counsel, plaintiff does not explain, and it is submitted that plaintiff's complaint in this respect is frivolous.

In connection with this complaint, plaintiff goes on to state that "most of these facts had been stipulated to by Hawaiian Electric in the Pre-trial Order" referring to pages 47 and 48 of the record, items 10 and 15. Item 10 of the admitted facts states only that Hawaiian Electric was a public utility in the business of operating electrical

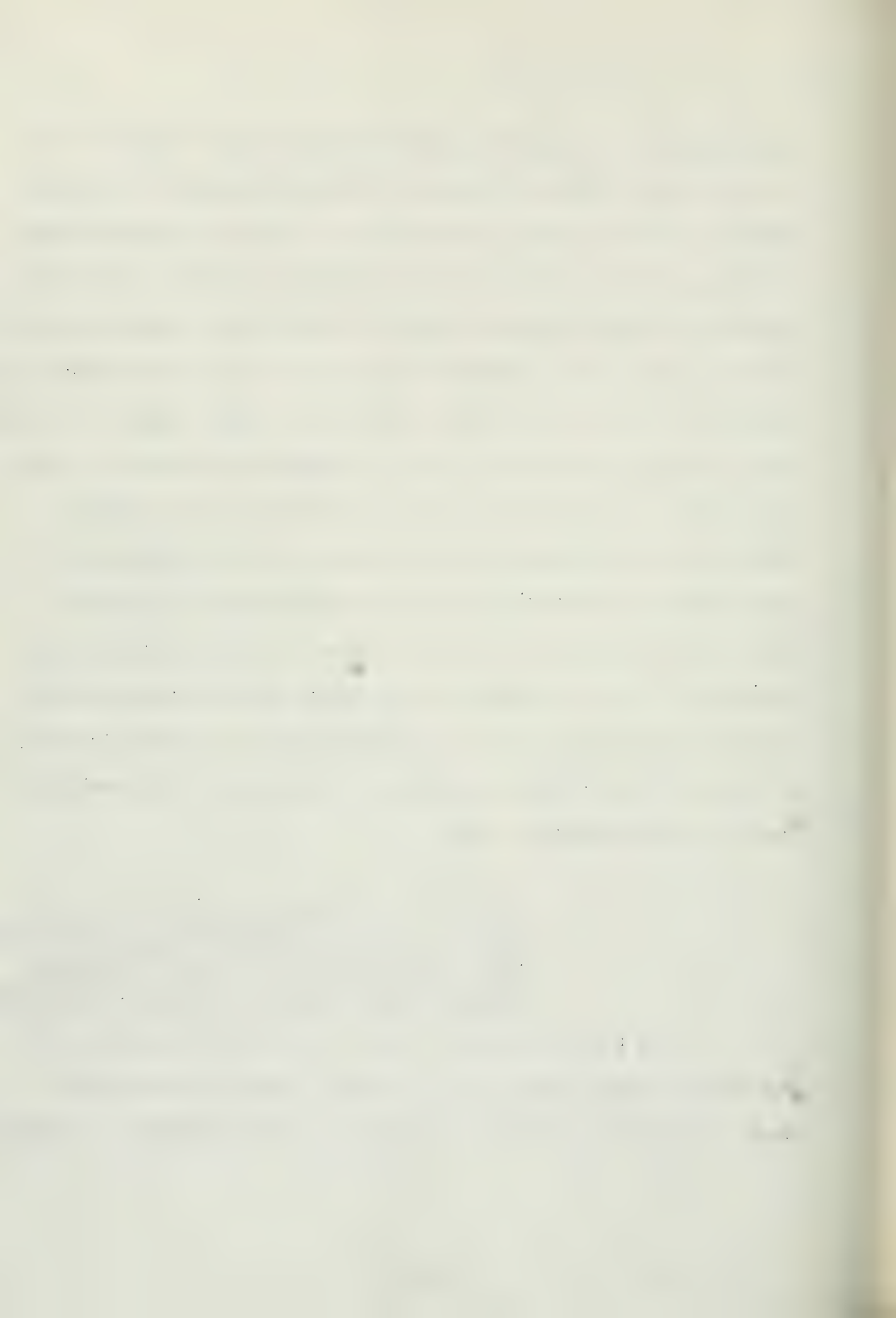




installations to generate and transmit high voltage electricity, while item 15 states that on September 10, 1964, Hawaiian Electric was the owner of a metering transformer, certain meters, and conductors running between said transformer and said meters, located at the Kunia facility, and of the power lines transmitting power to the air switch on top of the poles at Kunia. Obviously, these admitted facts were not the same as the facts alleged by plaintiff in its theory as to Hawaiian Electric. Plaintiff then states that the court prejudiced the plaintiff "by omitting to hold Hawaiian Electric to these stipulations" (O.B. 60). What the plaintiff is talking about is not clear for the plaintiff fails to point to any place in the record where Hawaiian Electric at any time attempted to depart from any of the facts set forth in items 10 and 15 of the admitted facts in the pretrial order.

- f. Plaintiff's complaint that the court amended the pretrial order by declaring that it was not going to submit to the jury the question of whether Hawaiian Electric had a duty to post any notices

On page 61 of his brief plaintiff complains that the trial court amended the pretrial order by declaring that it would not submit to the jury the question of whether



Hawaiian Electric had a duty to post any notices. Plaintiff then referred to page 854 of the transcript.

An examination of page 854 of the transcript does not indicate that the court amended the pretrial order in any way. Instead, the court said, "I can't advise the jury that there was any duty of the government or the Hawaiian Electric Company to post any notices. We haven't got any testimony here which I think would justify a duty to post notices." (Tr. 854).

The fact that an issue may have been set forth in a pretrial order does not mean that the issue will be submitted to the jury. Before any issue can be submitted to the jury there must be evidence giving rise to the issue, and if there is no such evidence, obviously the issue cannot be submitted to the jury. This is what happened in the present case. The trial court simply found that the plaintiff had not adduced any evidence from which the jury could infer that Hawaiian Electric had any obligation to post any notice and, therefore, the issue could not properly be submitted to the jury. Obviously this was not an amendment of the pretrial order.

It may also be noted again that at no point has the plaintiff in his brief pointed to any evidence which





would give rise to any duty on the part of Hawaiian Electric to post any notices.

- g. Plaintiff's complaint that the court eliminated the third issue of law from the pretrial order

On page 62 of his brief plaintiff complains that the trial court eliminated the third issue of law set forth in the pretrial order. Actually the plaintiff also complained about the elimination of issues of law numbers 1 and 2. However, since these concern only the United States, they will not be considered here.

Issue of law number 3 was as follows:

"If the evidence establishes that defendant Hawaiian Electric Company, Inc. was supplier of high voltage electricity and was part owner and permissive occupier and user of the electrical installation premises and had the exclusive right to maintain the same, then did said defendant owe a duty of ordinary care to plaintiff to warn him of any hidden danger that might have existed at or near his place of employment?" (R. 55).

The evidence simply did not establish the facts upon which this issue of law was expressly predicated. Admitted fact number 15 in the pretrial order includes the fact that Hawaiian Electric transmitted power to the air switch on top of the poles at Kunia (R. 48) and Mr.



Zeigler testified that the point of delivery of the electric current to the United States was the point where Hawaiian Electric's wires were attached to the air switch (Tr. 1251-1252). Mr. Zeigler also testified that Hawaiian Electric had no control over the current on the government's premises, such current being controlled by the government's air switch which Hawaiian Electric had no right to manipulate (Tr. 1252). There was no evidence that Hawaiian Electric was "part owner and permissive occupier and user of the electrical installation premises". On the contrary, admitted fact number 6 of the pretrial order was that the United States was "the sole owner, occupier and user" of the Kunia facility which was under the United States' "care, custody, supervision, management and control" (R. 46). Hawaiian Electric did own the metering transformer and the meters and the insulated wires running between the two. However, Hawaiian Electric did not own any interest in the land, the poles, the crossarms, the guy wires, the fence around the poles or the wires running down from the air switch to the metering transformer all of which were owned by the United States.

The evidence also was that Hawaiian Electric did not have "the exclusive right to maintain the [electrical



installation premises]" and in fact did not maintain it at all. Mr. Zeigler testified that Hawaiian Electric did not maintain the installation (Tr. 1253). Furthermore, Order 1086 of the Hawaii Public Utilities Commission, Rules and Rate Schedules Applicable to Electric Service (exhibit H-1, Rule 14, ¶ F) makes it clear that the maintenance of the "electrical installation premises" was the responsibility of the United States.<sup>2/</sup>

2/ Paragraph F of Rule 14 on sheet 30 of Ex. H-1 is as follows:

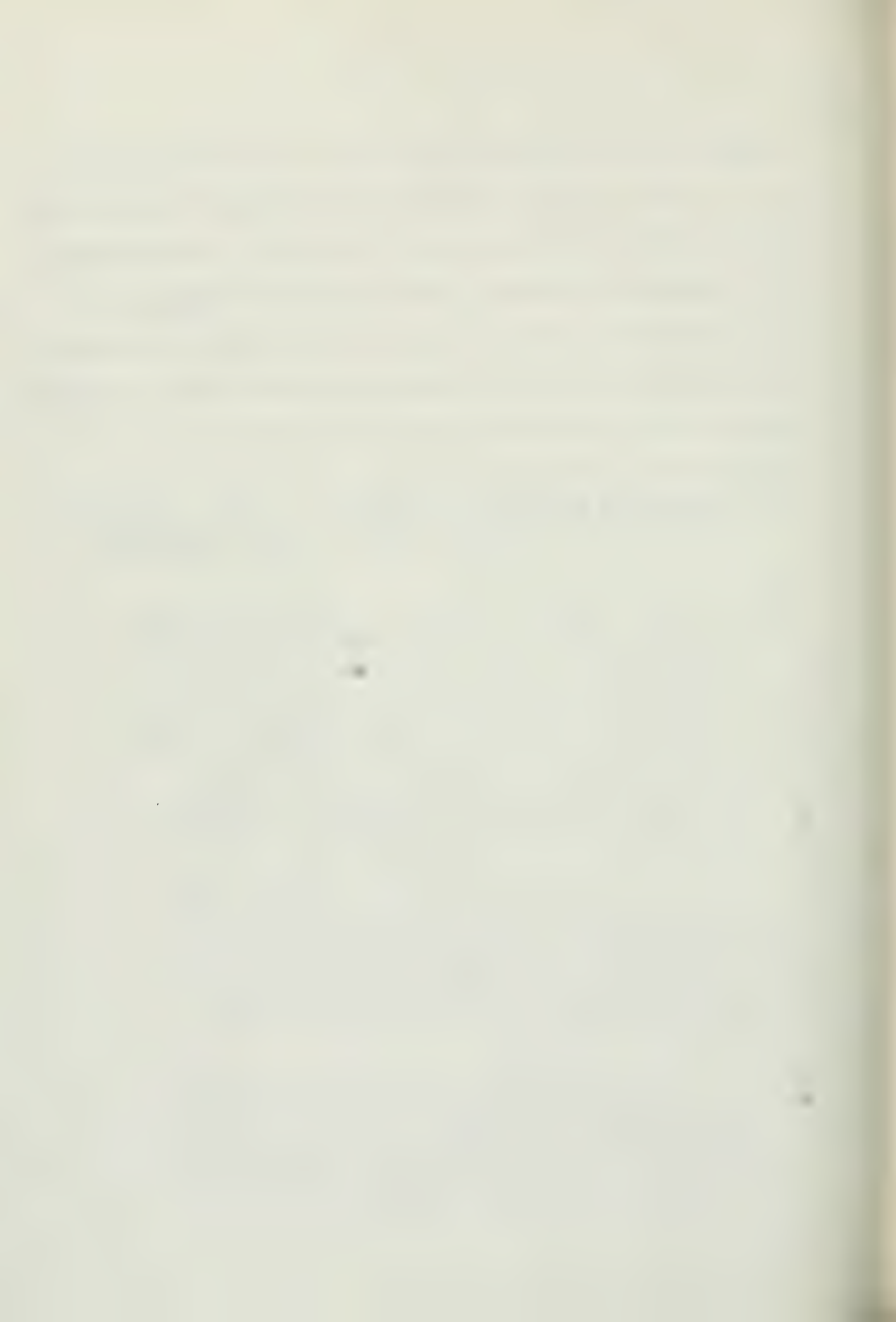
"F. CUSTOMER RESPONSIBILITY FOR HIS EQUIPMENT

"The customer shall, at his own sole risk and expense, furnish, install, inspect and keep in good and safe condition all electrical wires, lines, machinery, apparatus and equipment of any kind or character which may be required for: (1) receiving electric energy from the lines of the Company, regardless of the location of the transformers, meters or other equipment of the Company; and (2) applying and utilizing such energy, including all necessary protective equipment and suitable housing therefor.

"The customer shall also transmit and deliver and be solely responsible for the transmission and delivery of all electric energy over or through the customer's wires and equipment, regardless of the place where such electric energy may be transformed or metered.

"The Company will not be responsible for any loss or damage occasioned or caused by the negligence, want of proper care or wrongful act of the customer, his agents, employees or licensees in installing lines, machinery, apparatus or equipment."





Since the facts upon which this issue of law was predicated were not established by the evidence, the issue did not arise and there was no need for the court to pass upon it.

h. Plaintiff's complaint that the court demolished the pretrial order

On pages 64 and 65 of his opening brief the plaintiff complains that the court completed the demolition of the pretrial order by deciding all of the issues of fact and dismissing the jury. So far as Hawaiian Electric is concerned the court did not decide any issues of fact. The court simply concluded that there was no evidence from which the jury might infer that Hawaiian Electric had been guilty of any negligence. This being the case the court had no alternative but to grant Hawaiian Electric's motion for a directed verdict. The court's action in so doing did not constitute an amendment of the pretrial order but simply a recognition of the fact that plaintiff had failed to adduce any evidence against Hawaiian Electric which gave rise to any issues to be submitted to the jury.

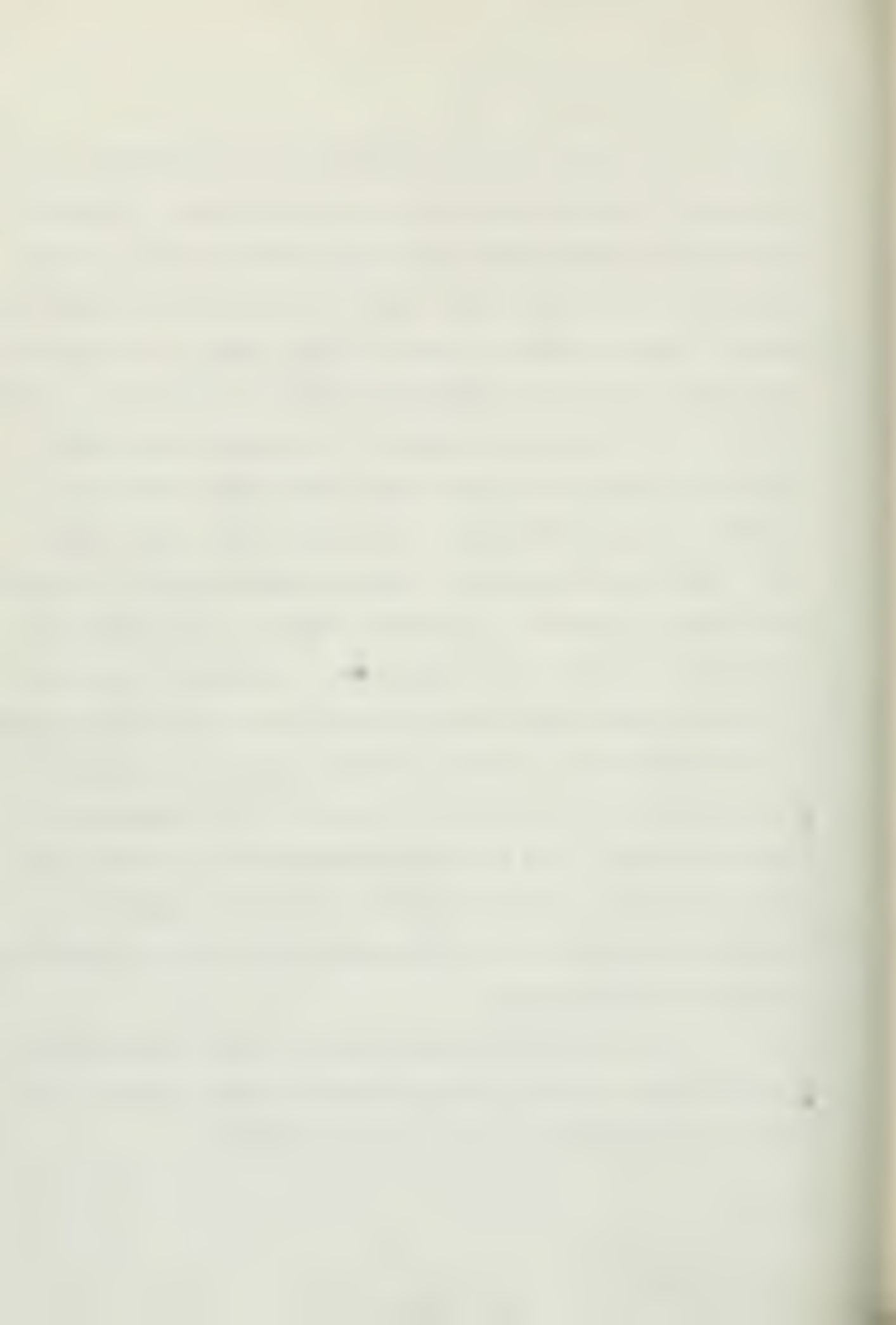
i. Plaintiff's complaint that the court refused plaintiff's requests to amend the pretrial order

As will be seen in answer to plaintiff's next



argument, plaintiff failed to establish a sufficient foundation for the admission of the Y & D blueprint. Furthermore, the blueprint would have been relevant only to some claim that the installation had been defectively constructed. However, although such a claim had been made in plaintiff's complaint, it had been dropped from the pretrial order which plaintiff's attorney had signed. A complaint based upon defective construction would have been vastly different from the case presented by the pretrial order and, therefore, there certainly was no abuse of discretion by the court in refusing to amend the pretrial order so as to allow the introduction of the Y & D blueprint. So far as the plaintiff's complaint based upon the doctrine of res ipsa loquitor is concerned, this doctrine certainly would not have been available to the plaintiff in respect to its claim against Hawaiian Electric for the uncontradicted evidence was that Hawaiian Electric did not control the facility where the accident occurred or the particular portion of the facility involved in the accident.

In view of the foregoing it is submitted that the plaintiff has failed to show any prejudicial conduct by the court in its handling of the pretrial order.





3. Plaintiff's argument relative to  
blueprint Y & D 872808

a. Introduction

This section of the plaintiff's brief which appears at pages 65 through 72 under the subtitle "Blueprint Y & D 872808" is extremely difficult to follow. During the course of the argument plaintiff does not specify what action by the trial court is claimed to be reversible error. At the very end of this section plaintiff states that he is entitled to have the judgments below reversed either on the ground that the court erred in denying plaintiff's motion for an order allowing an inspection, photographing and measuring of the government premises or on the ground that the court erred in restricting plaintiff's examination of "the expert witness for the United States Government" and in denying plaintiff the right to show that the transformer was installed "backwards and contrary to the blueprints".

An attempt will be made to answer the various claims asserted by the plaintiff.

b. Claim of defective construction

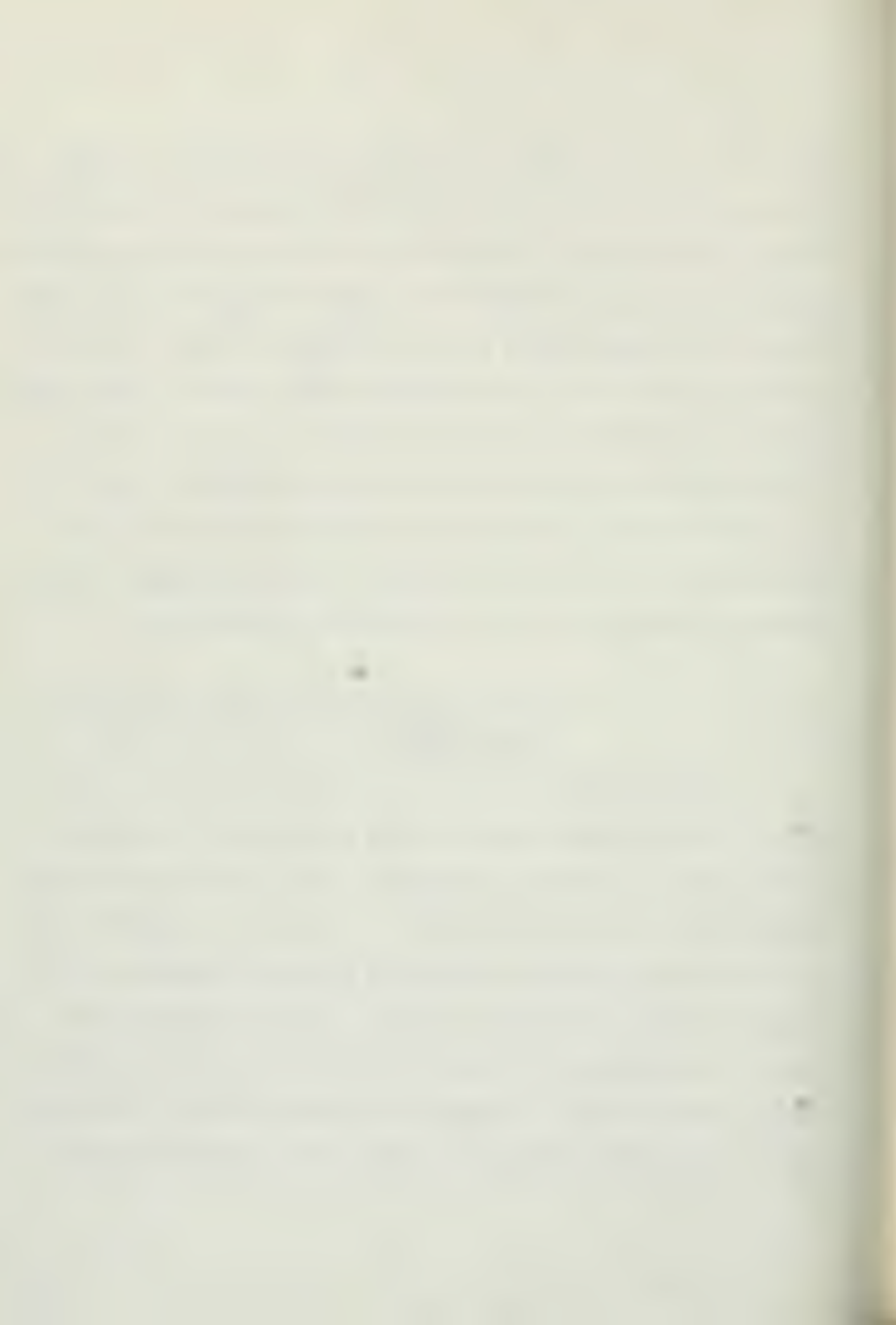
While the complaint contained allegations that the installation where the accident occurred had been



defectively constructed, this claim was abandoned during the course of the pretrial hearing and was not included in any of the plaintiff's theories as set forth in the pretrial order. Although plaintiff says that this ground was "eliminated" by Judge Mathes from the pretrial order, the fact remains that plaintiff's attorney signed the pretrial order and, thus, indicated that it accurately set forth plaintiff's theories against the various defendants. Thus, it is clear that the plaintiff does not have any basis for complaining that he was prevented from attempting to show that the facility had been defectively constructed.

c. Claim in respect to denial of motion to inspect and photograph the government premises

Plaintiff claims that he is entitled to a reversal of the judgments below on the ground that the trial court erred in denying plaintiff's motion made just a week before the trial that plaintiff be allowed to inspect and photograph the premises where the accident happened. The only statement in support of this contention appears on page 71 of plaintiff's brief to the effect that pictures taken prior to trial "would have shown that the transformer had been rotated 180 degrees after the accident and was,

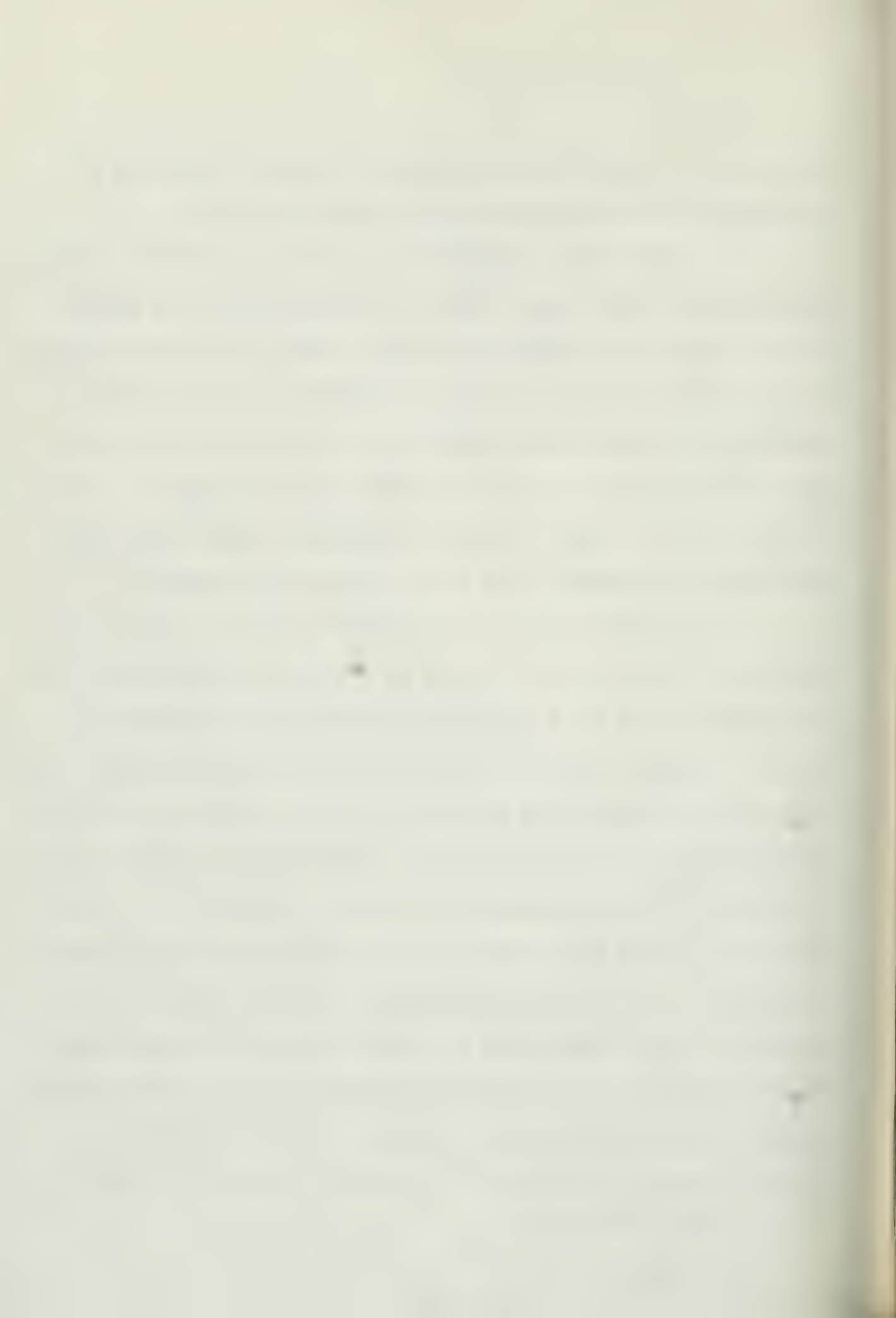


finally, in a safe condition, and, finally, installed according to the blueprints, by Hawaiian Electric."

Note that plaintiff does not say that the photographs would have shown that the installation was unsafe at the time of the accident or even that it had been defectively constructed. Nor does plaintiff claim that the photographs would have enabled him to determine how the guy wire involved in the accident became energized. All that plaintiff says is that photographs would have shown that the transformer "had been rotated 180 degrees".

Since defective construction was no longer an issue in the case, it is hard to see how the fact that the transformer was in a different position at the time of trial from what it had been at the time of the accident was relevant or could have been used by the plaintiff in cross examining any of the witnesses. Furthermore, even if the reversal of the transformer had been relevant, it is difficult to see how the plaintiff was prejudiced by the denial of his motion to take photographs, since, in any event, he knew that the transformer had been rotated and could have made any proper use of this knowledge in cross examination without having photographs to assist him. However, the record does not indicate that he made any such attempted use of this information.





Plaintiff cites authority that evidence of subsequent repairs or alterations or precautions may sometimes be admissible in evidence "as going to the credibility of witnesses". Plaintiff does not say how this rule fits this case or what witnesses he is talking about or how their credibility would be affected or why he needed photographs to introduce evidence of subsequent repairs, alterations or precautions.

In discussing Hyndman v. Pennsylvania Railroad Company, 386 Penn. 190, 152 A.2d 251, which stands for the proposition that a plaintiff may show that a warning sign had been installed after the accident as evidence on the question of whether it was practical for the defendant further to guard the premises, plaintiff stated that "warning signs were placed on the transformer at the Kunia facility after the accident, as photographs would have shown" (O.B. 72). In the first place, there is absolutely no evidence in the record of this by offer of proof or otherwise. In the second place, the statement is false in that no signs whatsoever have at any time been placed upon the transformer at the Kunia facility or upon any other property at the Kunia facility belonging to Hawaiian Electric.

However, even assuming that warning signs had been installed at the Kunia facility subsequent to the



accident and assuming that plaintiff had the right to cross examine the witnesses in respect to such signs, he certainly was not precluded from doing so by the lack of photographs. Had it been proper to do so, plaintiff could have inquired of the witnesses whether any such signs had been installed subsequent to the accident. However, according to the record, no such inquiry was ever made.

The other case cited by the plaintiff on this issue is Houston Lighting and Power Company v. Brooks, 319 S.W.2d 427, where a defense witness had testified that it would have been difficult to move or de-energize certain electric wires. Plaintiff in that case was permitted to ask a defense witness if the wires had not, in fact, been moved and de-energized subsequent to the accident. Obviously this case is not applicable to the present case since no evidence was adduced by the defense that would have been rebutted by anything shown in any photographs taken of the site in its pretrial condition. However, even if evidence of subsequent changes had been admissible on this principle, plaintiff was not precluded from offering the evidence by lack of photographs.

In view of the foregoing, it is submitted that the court committed no error in denying plaintiff's motion that





he be allowed to inspect and photograph the government premises.

- d. Plaintiff's argument re restriction of cross examination of government expert and denial of plaintiff's right to show that the transformer was installed contrary to the blueprints
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On page 72 of his brief plaintiff sets forth as one of the grounds for reversing the judgments below the claim that the trial court erred in restricting the cross examination of "the expert witness for the United States government" and in denying plaintiff the right to show that the transformer had been installed contrary to the blueprints. Although this claim seems to actually consist of two claims, it is believed that it relates solely to the plaintiff's cross examination of one of the government's witnesses. This is because any claim that the transformer had been installed contrary to the blueprints standing alone would seem to relate only to a claim of defective construction which, as heretofore indicated, was abandoned by plaintiff before trial. Furthermore, it appears that the restricting of the cross examination of which plaintiff complains was cross examination in respect to the Y & D blueprint. Therefore, it is probable that the claim here being asserted



is that the trial court erred in limiting the examination of the government witness by refusing to permit him to testify as to the Y & D blueprint.

Although the plaintiff does not indicate which witness he is referring to on page 72 of his brief, it appears that he means the government's witness Ponte because this is the only government witness whose testimony is discussed in this section of the brief. Actually, Ponte was not called as an expert witness but was called to testify as to various facts he observed immediately following the accident. The government did call witness Allen as an expert. However, Mr. Allen's testimony is not discussed in this section of plaintiff's brief, nor did plaintiff make any attempt to cross examine Mr. Allen in respect to the Y & D blueprint.

Plaintiff's discussion of the examination of Ponte appears on pages 66 and 67 of his brief. Ponte was a government electrical inspector who was inspecting the work being done at the Kunia facility at the time of the Poston accident. This work did not involve that portion of the facility which consisted of the poles, the metering transformer and the meters and, therefore, Ponte had no reason to inspect it (Tr. 1094), although he did testify that on direct



examination by the United States that he had inspected the guy wires at the facility and noticed that they were taut (Tr. 1098). Plaintiff claims on page 67 of his brief that the court refused to allow plaintiff to cross examine Ponte as to whether Ponte had referred to the Y & D blueprint in making his inspection and in this respect refers to pages 1116 and 1117 of the transcript. An examination of this portion of Mr. Ponte's testimony does not support the plaintiff's claim.

The testimony referred to is as follows:

"Q I see. Well, now, when you went up there to inspect it, did you have the blueprint or the plans with you?

"A No, sir. The blueprints are actually left down in the field office, and we look at them quite often, sir.

"Q And so you've looked at the blueprint of this installation, right? You have since then, haven't you?

"A Yes. This installation was the one that was there.

"Q So you looked at the blueprints --

"MR. STIFEL: Excuse me, Mr. Ryan. What blueprints are you talking about?

"A That's right.

"Q (By Mr. Ryan) The blueprints on the installation that you inspected?





"A I did not look at any blueprint on that --

"MR. STIFEL: Excuse me, Mr. Ponte.

"Are you talking about the blueprint for the work being done by Reed & Martin?

"Q (By Mr. Ryan) I'm talking about the blueprint of the installation that you inspected, you know, the installation where -- the transformer installation on G-7-A.

"MR. STIFEL: Your Honor, the witness has not said he ever had any such blueprints in the first place. And in the second place, the existence of any such blueprints is immaterial in this case, what blueprints --

"THE COURT: I will sustain the objection upon the ground it is not material whether he had any blueprints or not. . . ." (Tr. 1334-1337).

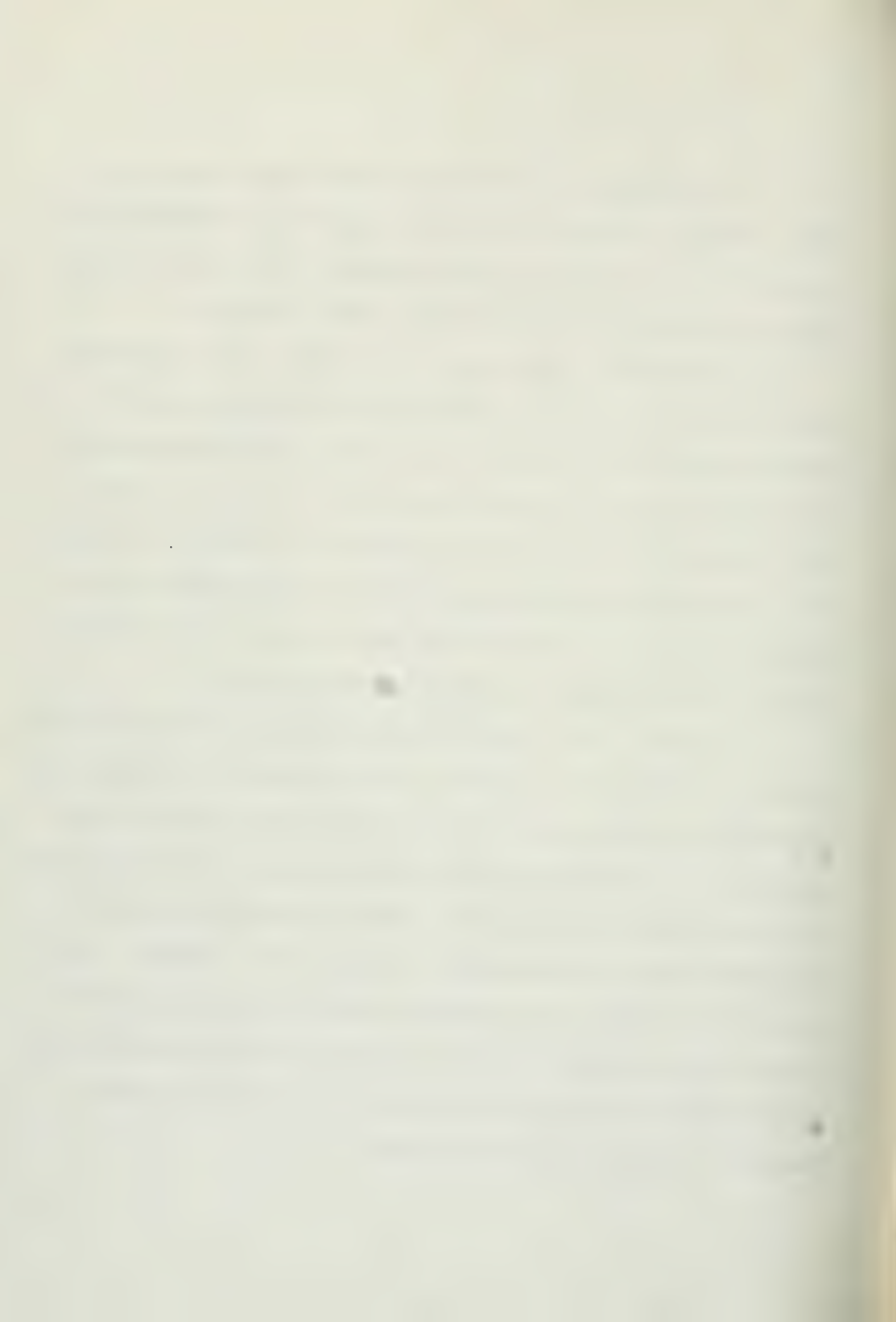
The purport of this testimony seems to be that as to the blueprints of the work then in progress in September 1964, these were left in the field office so that Ponte did not take them with him when he inspected the area where the accident occurred. As to Y & D blueprint 872808 the testimony seems to be that Mr. Ponte did not look at it for when Mr. Ryan indicated that he was talking about the "blueprints on the installation", Mr. Ponte answered, "I did not look at any blueprint on that --".



Following the testimony just quoted the court asked several questions as to when Ponte had inspected the guy wire and how long the poles and guy wires had been in place and then Mr. Ryan made his offer of proof.

From the foregoing, it does not appear that the judge actually refused to allow cross examination as to whether Ponte had referred to the Y & D blueprint when he made his inspection in September 1964. If this is true, then there would seem to be no basis for plaintiff's claim that the court restricted plaintiff's examination of Mr. Ponte. It would also mean that there was no basis for the offer of proof which the plaintiff then made.

Even if the court did prevent Ponte from testifying as to whether he used the Y & D blueprint in making his inspection, it is hard to see how this was prejudicial to plaintiff. If there was any evidence disclosed by the Y & D blueprint that was admissible, that evidence could have been introduced by plaintiff directly. For example, Ponte could have been asked whether it was not a fact that his inspection revealed that the facility had been constructed differently from what was shown in the Y & D blueprint. However, no such attempt was made.





The offer of proof made by plaintiff at this point was, of course, related to the question of whether the installation had been defectively constructed which claim, as heretofore indicated, had been abandoned by the plaintiff, so that the trial court naturally rejected the offer of proof. Plaintiff does not in his brief claim that the court erred in this respect and, therefore, it is not clear why plaintiff brings this up at this portion of his argument.

During the course of his argument on this point plaintiff also refers to certain questions put to Hawaiian Electric's witness Zeigler by plaintiff's counsel (O.B. 17). However, plaintiff points to no ruling made by the court in the course of this examination of which plaintiff complains or as to which plaintiff now assigns error.

Plaintiff also, on page 68 of this section of his brief discusses certain testimony of plaintiff's expert called on rebuttal. Plaintiff claims that this witness testified "that if the transformer had been rotated 180 degrees, there would have been less chance of current entering the guy wire (Tr. 1334-1337)". This would seem to relate to the abandoned claim of defective construction and, therefore, to be irrelevant to plaintiff's argument.



However, even if it were relevant, it does not appear that this witness testified as stated by plaintiff. The witness was asked whether the position of the transformer had any bearing on how the current got into the guy wire. His testimony in this respect was as follows:

"Q Now, Mr. Crawley, I want you to assume that electrical power entered this guy wire somewhere on the guy wire, and that it descended to the ground. Does the position of this transformer in this installation have any bearing on how the current got into that guy wire?

"MR. O'CONNOR: I object to the form of the question, your Honor. I further object in that this is not proper rebuttal. It has nothing to do with any issue in this case.

"THE COURT: Overruled.

"Q (By Mr. Ryan) Did you follow the question?

"A Yes, I did. Yes, it would have a bearing on voltage entering the guy, or coming into contact with the guy.

"Q Why would the position of the transformer, as it appears in this installation, have had a bearing on how the current entered the guy wire, assuming that the current entered the guy wire?

"MR. O'CONNOR: Same objection as previously made, your Honor, to the form of the question.

"THE COURT: Same ruling.



"A I think it's obvious that there are two insulators on one side of the transformer, and there's only one on the other side.

"Q (By Mr. Ryan) All right. You're talking about these two? (Indicating)

"A Yes.

"Q And you're talking about this one in the back?

"A Yes.

"Q These are the uprights on top of the transformers?

"A Yes. With the two insulators as they're placed in the position that they are in now --

"MR. STIFEL: Excuse me, your Honor We object to this on the ground that it's irrelevant to any issues in this case. There is no claim being made that this insulator -- that this transformer was installed improperly. Now, if the witness is called to testify how the current actually got to the guy wire, that's one thing. But if he's called for any other purpose, we respectfully submit that his testimony is irrelevant.

"THE COURT: Overruled.

"A (Continuing) The two insulators on the side, in the closeness to you there in the photograph, the relative position is closer to the guy wire in this position than if the transformer would be, let's say, rotated in the opposite direction 180 degrees.





"MR. STIFEL: Excuse me, your Honor. Now we object to that answer and move that it be stricken. This matter has expressly been presented to your Honor by Mr. Ryan in his offer of proof and rejected. We ask that the answer be stricken and the jury instructed to disregard it. The witness has just speculated as to what might have been the situation had the transformer been installed in some other way.

"MR. O'CONNOR: We join in the objection and the request to strike.

"MR. HAYASHI: And the Government.

"THE COURT: Overruled.

"Q (By Mr. Ryan) Did I understand you correctly to say that if the transformer had been turned around, then these wires --

"MR. HAYASHI: That was not the testimony, your Honor.

"Q (By Mr. Ryan) Would you explain what you said?

"A Yes. I'm saying that the insulators, in the position that they are in now, place themselves in a closer proximity to the guy wire if they were 180 degrees in the other direction -- if the transformer was rotated by 180 degrees."  
(Tr. 1334-1337)

It is to be noted that the witness did not say

"that there would have been less chance of current entering the guy wire" if the transformer was rotated 180 degrees,



but merely that "the insulators" were closer to the guy wire than if rotated 180 degrees. Furthermore, this witness did not say that any energized wires at the installation were dangerously close to any guy wire or that the installation as it existed at the time of the accident was in any way defective or unsafe. Therefore, even if this witness' testimony had been properly admissible, it is submitted that it would have been of no help to plaintiff.

At this point in his brief plaintiff on page 68 says, "it was at this juncture that counsel for the plaintiff moved to amend the pretrial order to have it conform with the pleadings and the proof which was denied (Tr. 1366, 1385-1386)". What plaintiff means by "this juncture" does not appear. Plaintiff did not make any motion to conform the pleadings to the proof during the course of this witness' testimony nor immediately thereafter. Instead, plaintiff called the plaintiff as a rebuttal witness and at the conclusion of his testimony all parties rested.

Although plaintiff's mention of a motion to conform the pleadings to the proof at this point in his brief when he is discussing the installation of the transformer would seem to indicate that the proof referred to had something to do with the installation of the transformer, no such motion can be found anywhere in the transcript.





If one refers to the pages cited by plaintiff, that is, 1366 and 1385-1386, one finds that during the course of argument on the defendants' motions for directed verdicts, plaintiff's counsel after stating that the United States and Hawaiian Electric jointly maintained the Kunia facility, said, "and if there is any need for a motion, why, I would ask the court to amend this to conform with the proof in the case." If this was actually a motion, the court did not recognize it as such for when Mr. Ryan referred to his motion later in the day, the court said that the court had not heard it (Tr. 1385-1386). In any event, it is obvious that if this was a motion, it did not have anything to do with the installation of the transformer or the position of the transformer or any claim of alleged defective construction or with the Y & D blueprint. Therefore, this motion seems to have no relevance to this section of plaintiff's brief.

On page 69 of his brief plaintiff states that, "the denial to the plaintiff of the right to show by cross examination that the installation was not safe prejudiced his case." Plaintiff does not say what he means by this, nor does he point to any place in the transcript where he was denied the right to cross examine any witness.



Therefore, it must be assumed that he is still discussing the Ponte cross examination which, as indicated above, does not bear out the plaintiff's claim.

On page 70 of his brief plaintiff states, "we are closely approaching the area of a party's falsehood or other fraud in the preparation or presentation of his case (the effort undertaken by the government to show an 'absolutely safe' guy wire), and in such an instance the contrary may always be shown by independent proof." Plaintiff does not bother to point out what effort by the government he is talking about or why it approaches "falsehood or other fraud". Therefore, there seems to be no point in attempting to answer the charge.

In view of the foregoing, it is submitted that there is no basis for reversing the judgments below, either because of the denial of plaintiff's motion to inspect and photograph the premises or because of any alleged restriction of cross examination of the government's witness in respect to the difference between the Y & D blueprint and the condition of the Kunia facility at the time of the accident.

4. Plaintiff's argument relative to  
res ipsa loquitor

On pages 72 through 75 of his brief plaintiff



argues in respect to the doctrine of res ipsa loquitor. Plaintiff acknowledges that this doctrine was not an issue in the case as late as January 17, 1967, which was during the course of the trial. At no point thereafter until after the conclusion of the trial did the plaintiff ever claim any right to rely upon this doctrine. Now, however, plaintiff claims that he should have been given the benefit of this doctrine by virtue of his motion to amend the pretrial order to conform with the proof citing pages 1366, 1385 and 1386 of the transcript. However, the only matter covered by the motion, if it be considered a motion, was the claim that Hawaiian Electric and the United States jointly maintained the facility. How this motion could bring the doctrine of res ipsa loquitor into the case the plaintiff does not explain and it is submitted that there is no basis for the court to consider this doctrine.

Even if the doctrine could be considered, it would have no application to Hawaiian Electric, since there is no evidence that Hawaiian Electric owned, maintained or controlled the premises or the guy wire or any energized electrical wire with which the guy wire could have come into contact.





C. Answer to plaintiff's argument relative to his motion for judgment notwithstanding the verdict or for a new trial

1. Plaintiff's argument relative to a new trial

Plaintiff sets forth four grounds upon which he claims he is entitled to a new trial. These will be considered separately in the order presented.

a. Argument based on alleged misconduct of counsel

Plaintiff not being able to conceive of how the attorney for defendant Okano became acquainted with the contents of the records of the Veterans Administration before those records were actually admitted into evidence has concluded that, therefore, the evidence was "tainted" so that its use demands a new trial.

A representative of the Veterans Administration had been subpoenaed to appear in court on the first day of trial with Mr. Poston's records. These records had been brought to court on the first day of trial and, thus, became available to all parties. Plaintiff has pointed to no impropriety on the part of any counsel for any defendant in this respect and has cited no authority in support of his contention and it is submitted that there is none.



Plaintiff next claims that counsel for Okano was guilty of misconduct in stating in his opening statement that the Okano superintendent would testify that he had not told the plaintiff to remove the guy wire and that the facts would show that plaintiff removed the guy wire from the anchor and looped it over the fence.

An examination of the transcript indicates that the Okano superintendent Teves testified exactly as counsel said he would:

"Q (By Mr. O'Connor) Did you tell Poston that he could take out the guy wire?

"A No." (Tr. 662).

As to the statement that the facts would show that plaintiff took the guy wire from the anchor and looped it over the fence the evidence clearly establishes this to have been the fact.

The plaintiff himself testified that the guy wire blocked the excavation work he was doing and that after asking the Okano foreman about removing it he removed two of the three bolts in the clasp plate that held the guy wire in place (Tr. 188-199). The government's witness Ponte testified that shortly after the accident





the clasp plate was found with the third bolt loosened (Tr. 1100) and that the guy wire was found hanging over the corner of the fence that enclosed the pole to which the upper end of the guy wire was attached (Tr. 1096) as shown in exhibit G-5 (Tr. 1097) at a point about fifteen feet from the anchor to which it had been attached (Tr. 1106-1107). He also testified that he saw a burned spot on the upper part of the guy wire and a corresponding spot on one of the lines coming down from the main transmission line and also a burned spot on the bottom of the fence and a burned spot of grass at the corner of the fence (Tr. 1036-1038). The government's witness Howard James Landry testified that within about five minutes after the Hawaiian Electric current coming to the Kunia facility was shut off he arrived at the scene of the accident and saw the guy wire hanging over the corner of the fence (Tr. 1029 and 1032-1033). The government's witness Lt. Thomas H. Emsley USN testified that he was in Room V-213 in the Kunia facility, that there was a power failure, that he immediately went to the switchboard and then to the intake tunnel and then to the scene of the accident where he noticed that the detached guy wire had been laid over the top of the fence at the corner as shown in



exhibit G-5 (Tr. 1069-1071). Mr. Emsley also testified that there were no burn marks on the anchor (Tr. 1076) and that there were burn marks on the guy wire just under the insulator and on the left phase of the overhead line and on the case and on the corner post of the fence and on the guy wire where it was hanging over the fence and that there was a charred area on the ground next to the corner post of the fence that seemed to still be smoking when he arrived at the scene (Tr. 1074).

Plaintiff also points to the fact that in his opening statement Okano's attorney said that the plaintiff took the clamp and bolts off the guy wire and placed them by the fence whereas the testimony later showed that the clamp and bolts were found beside the anchor. This minor discrepancy could not be characterized as misconduct and certainly would not warrant a new trial.

In respect to the claim that the government's attorney cited a Hawaii case that had been reversed, plaintiff's counsel fails to identify the memorandum in which this alleged misconduct occurred. At most counsel made a mistake which did not prejudice the plaintiff and could not warrant a new trial.



b. Argument relative to  
plaintiff's deposition

The offer by one party of a portion of a deposition does not automatically make the entire deposition admissible at the request of other parties. It is true that the use of a portion of the plaintiff's deposition by the defendants gave the plaintiff the right to have introduced into evidence all other parts relevant to the part introduced. Here plaintiff has failed to specify what portions of his deposition he claims are relevant to the portions introduced by the defendant and, therefore, his argument for a new trial on this ground cannot be considered further.

c. Argument that the court considered  
workmen's compensation

Plaintiff's expression of sympathy for the plaintiff was only natural as was his supposition that in all probability there was workmen's compensation payable that would cover plaintiff's medical expenses and disability. These expressions certainly do not tend to indicate in the slightest degree that these considerations played any part in the court's determination of the case and furnish no basis for a reversal of the judgments below.





d. Argument based upon the fifth and seventh amendments to the United States Constitution

The right to trial by jury has always been subject to the right and obligation of the trial judge to direct a verdict where all reasonable men would agree as to how the case should be decided. The preceding sections of this brief have been devoted to showing that the trial court's actions in granting the directed verdicts were in accordance with this rule and, therefore, they should not be reversed.

2. Plaintiff's argument that plaintiff was entitled to a directed verdict against Hawaiian Electric

For the reasons hereinbefore set forth plaintiff was not entitled to a directed verdict against Hawaiian Electric because there was no evidence that Hawaiian Electric was guilty of any negligence which in any way caused or contributed to plaintiff's injuries.

CONCLUSION

Plaintiff has failed to show any reason why

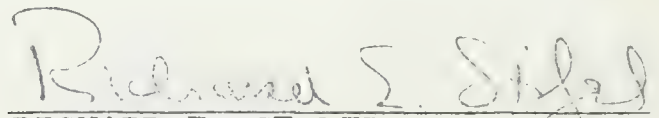


the judgment for Hawaiian Electric should be reversed.

It is submitted that the judgment should be affirmed.

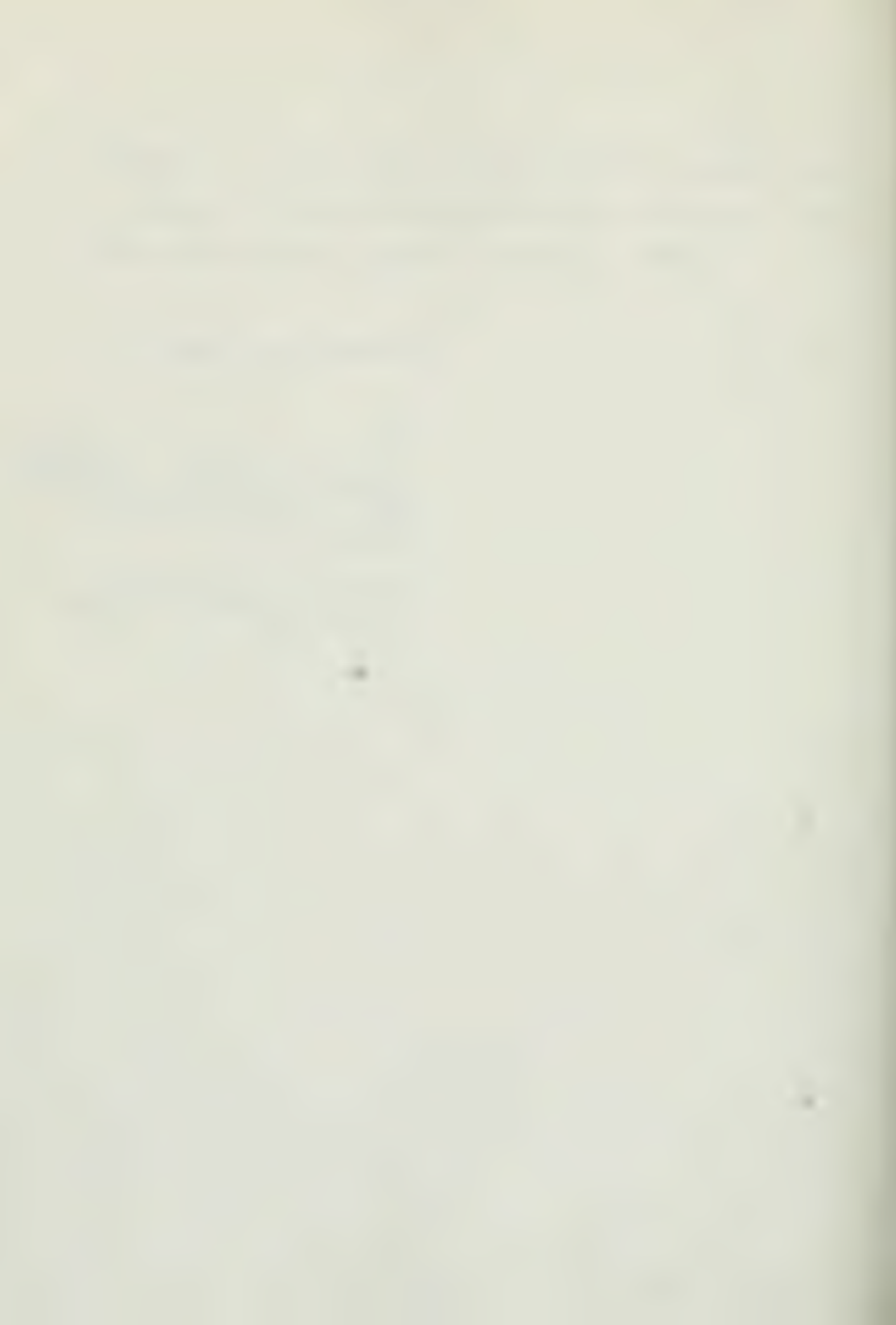
DATED: Honolulu, Hawaii, December 28, 1967.

Respectfully submitted,

A handwritten signature in cursive script, reading "Richard E. Stifel", written in dark ink.

RICHARD E. STIFEL  
Bank of Hawaii Building  
Honolulu, Hawaii

Attorney for Defendant-  
Appellant Hawaiian Electric  
Company, Inc.





NO. 22051

IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

TERRANCE I. POSTON, a citizen  
of Alaska,

Appellant,

vs.

THE UNITED STATES OF AMERICA,  
et al.,


Appellees.

ON APPEAL FROM THE  
UNITED STATES DISTRICT  
COURT FOR THE DISTRICT  
OF HAWAII IN CIVIL  
NO. 2345

CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

DATED: Honolulu, Hawaii, December 28, 1967.

  
RICHARD E. STIFEL  
Bank of Hawaii Building  
Honolulu, Hawaii

Attorney for Appellee  
Hawaiian Electric  
Company, Inc.



COPY

IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

ROBERT O. GILMORE, JR., et al.,  
Appellants,  
vs.  
THOMAS C. LYNCH, et al.,  
Appellees.

No. 22052 ✓  
A-B-C-D-E-F-G

BRIEF OF APPELLEES

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FILED

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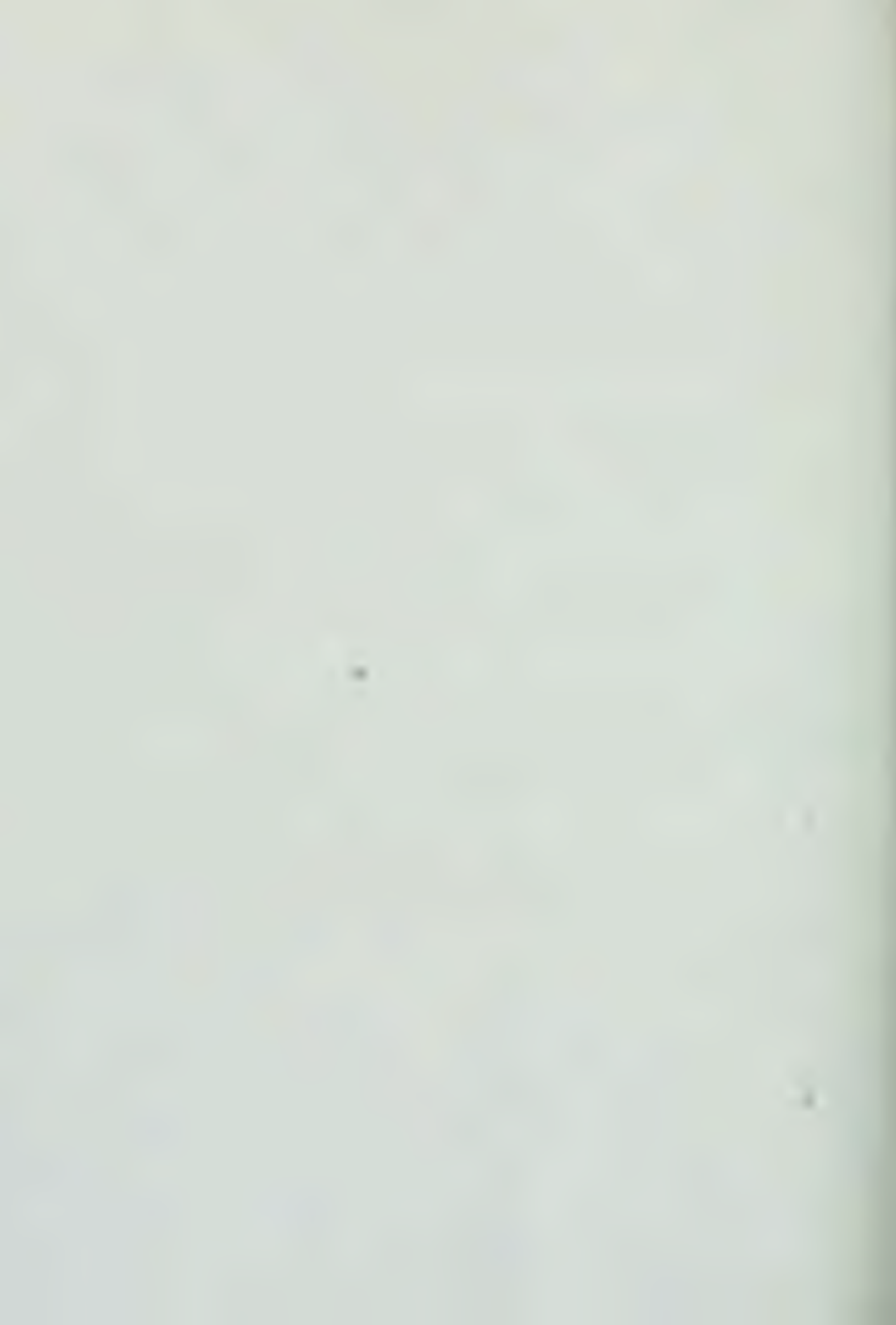
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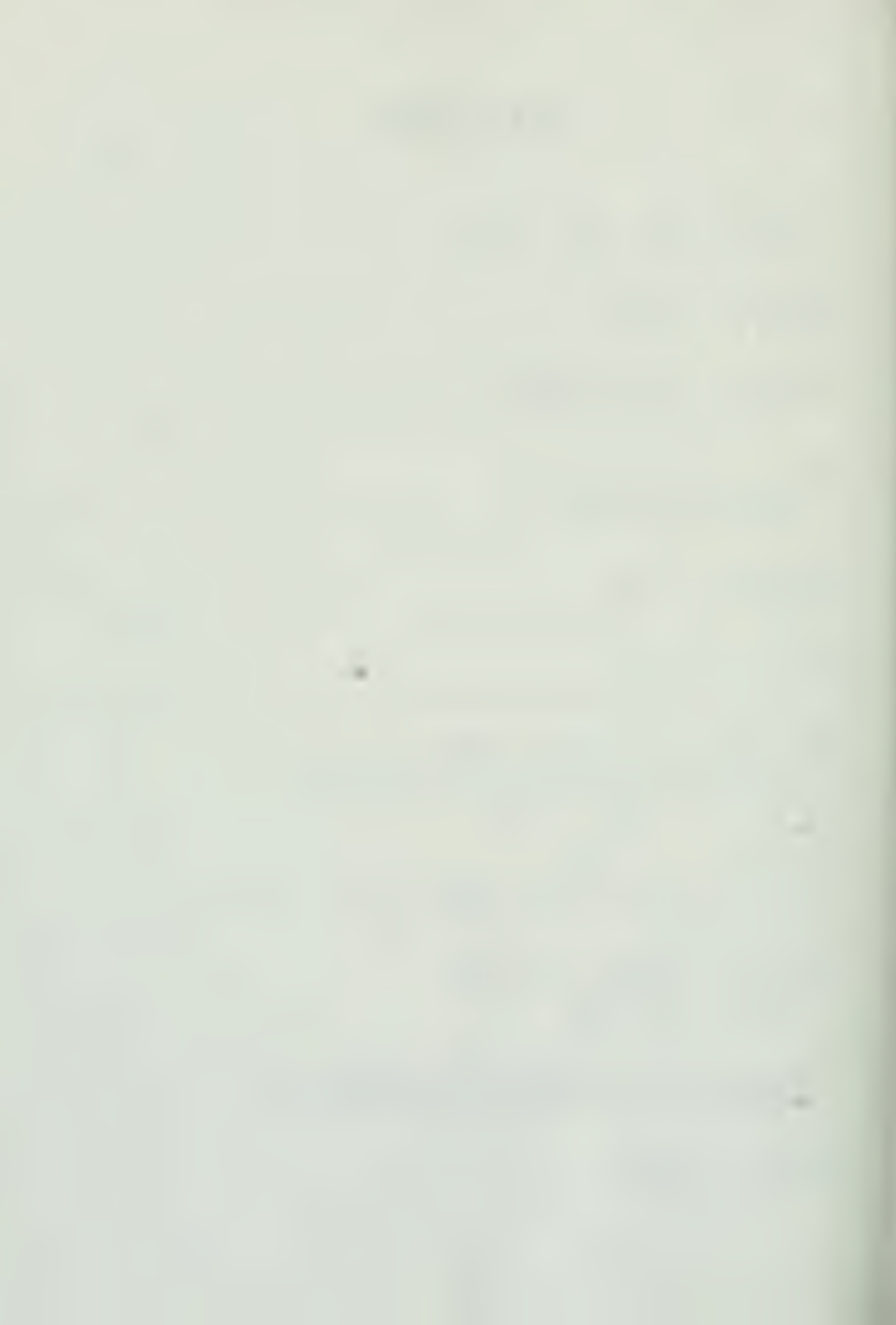
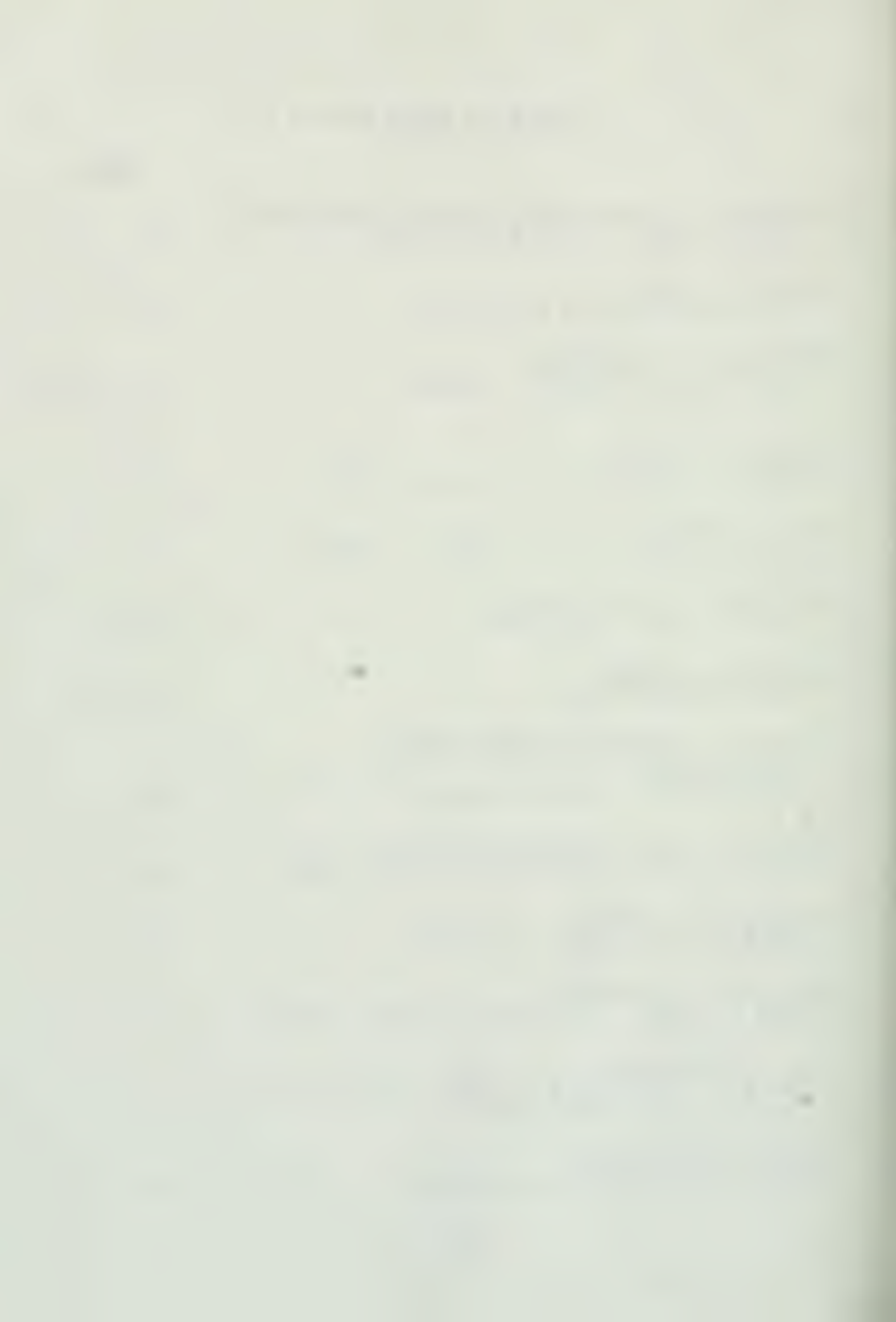


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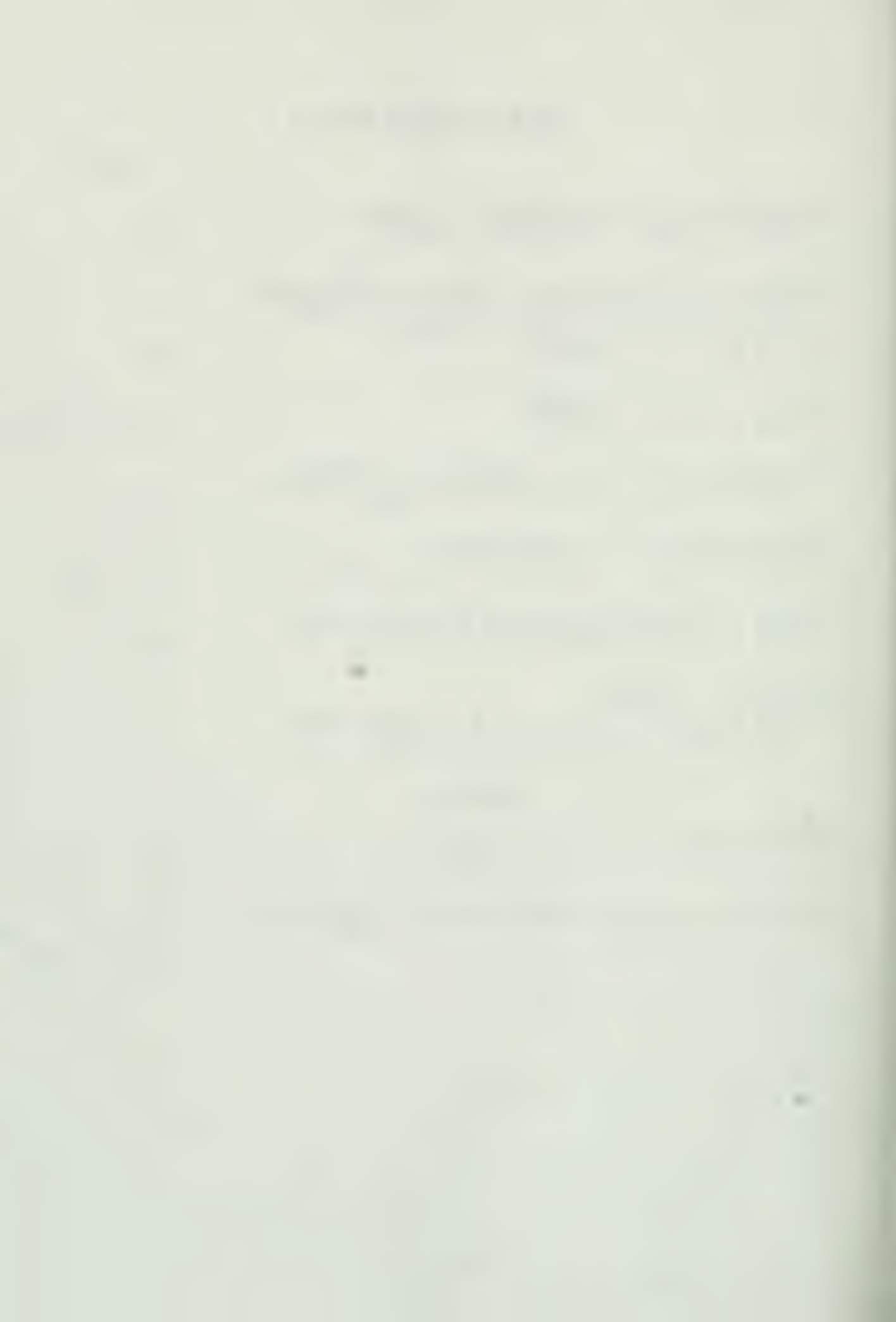


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IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

ROBERT O. GILMORE, JR., et al.,	}	
Appellants,		
vs.		No. 22052
THOMAS C. LYNCH, et al.,		A-B-C-D-E-F-G
Appellees.	}	

---

BRIEF OF APPELLEES

JURISDICTION

The jurisdiction of the United States District Court for the Northern District of California to entertain appellants' petition below was conferred by the Civil Rights Act (42 U.S.C. § 1983 and 28 U.S.C. § 1343). Proceedings in forma pauperis were authorized by Title 28, United States Code section 1915. Jurisdiction for this Court, in its discretion, to review the order appealed from is conferred by 28 U.S.C. § 1292(4)(b).

STATEMENT OF THE CASE  
AND THE FACTS

On October 27, 1966, appellant Robert O. Gilmore, Jr., and eighty-eight other inmates of the California State Prison at San Quentin filed in the United States District Court for the Northern District of California a complaint naming as defendants the People

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of the State of California, the Department of Corrections of the State of California, Richard A. McGee, Walter Dunbar, and Lawrence E. Wilson. The complaint sought an injunction against the enforcement of certain rules adopted by the Director of Corrections relating to the contents of prison law libraries and describing the personally-owned legal opinions which inmates would be permitted to possess (CT 1-27). On January 11, 1967, the named defendants filed a motion to dismiss, after having received an order extending time to plead (CT 70-76). On January 10, 1967, the District Court, Honorable William T. Sweigert ordered the action consolidated with three others brought by other inmates, and appointed counsel for plaintiffs, on the ground that the "actions raise important questions in the access of prisoners to the courts . . . ." (CT 65-69).

On March 14, 1967, counsel for plaintiffs filed a motion for preliminary injunction and for the convening of a three-judge district court (CT 89-92), and on March 20, 1967, points and authorities in opposition to defendants' motion to dismiss (CT 133-35).

On April 4, 1967, counsel for plaintiffs filed a document entitled: "Amended Complaint for Money Damages, Declaratory and Injunctive Relief; Request for Temporary Restraining Order." (CT 140-49). This amended pleading named as defendants, in addition to those previously





named, Thomas C. Lynch, Attorney General of California, Doris H. Maier, "Deputy [sic] Attorney General," Fred Dickson, Chairman of the California Adult Authority, A. L. Oliver, then Warden of the California State Prison at Folsom, one Leona Ragle "mail handler" (a federal employee whom counsel for appellees do not represent and who has apparently never been served with process in this matter), A. George Oakley, "Prison Official," and eighty Does (CT 140). The amended complaint alleged that defendants had engaged in a conspiracy to deprive prisoners of due process and equal protection of the laws (CT 141-42). The specific acts complained of were:

1. Alleged attempts to prohibit or severely limit prisoner access to law books and legal opinions, attempts which had been carried out by the adoption of certain regulations (CT 142-43). These regulations are not set forth in the amended complaint, but are apparently those referred to in the original complaint.

2. Alleged deliberate delays in the delivery of mail from prisoners to courts and attorneys, and from courts and attorneys to prisoners, and confiscation of such mail (CT 143).

3. Allegedly informing prisoners that the Adult Authority penalized prisoners for filing legal documents with courts, and actually so penalizing them (CT 143).



4. Adopting and attempting to enforce regulations forbidding inmates from rendering legal assistance to one another (CT 143-44).

5. Allegedly "punishing, under guise of punishing a violation of some other rule, inmates who prepare writs, petitions, or complaints to be submitted to the courts." (CT 144).

6. Allegedly limiting the amount of time prisoners can spend in the prison library to a number of hours insufficient for them properly to prepare legal documents (CT 144).

7. Refusing to permit prisoners to receive all of the law books which the State Law Library has, and allegedly failing to maintain sufficient copies of available law books to permit prisoners to use them whenever they wish (CT 144).

8. Allegedly refusing to mail communications that prisoners have sought to mail to the Federal Bureau of Investigation and unspecified federal officials (CT 144-45).

The complaint demanded a jury trial on contested issues of fact, and the convening of a three-judge District Court "to hear and determine, on the basis of facts found by the jury, plaintiffs' demand for preliminary and permanent injunction." It also demanded that defendants be





be enjoined from enforcing the changes in prison regulations adopted by the Director of Corrections, in Department of Corrections Transmittal Letter 26/66, dated September 19, 1966, or any other regulations which would limit the access of prisoners to any legal materials, unless such regulations are enforced for purposes which do not include the prevention of prisoner acquisition of legal knowledge and expertise for use in attacking convictions and sentences in the courts, or for purposes which do not include the prohibition or discouragement of prisoners in rendering legal assistance to one another (CT 145-46). It was further demanded that defendants be enjoined from acting toward petitioners in any way which is designed to discourage them from filing legal documents in the courts, or from complaining to federal authorities concerning alleged violations of federal laws (CT 146).

The complaint closed with a demand for money damages in the modest sum of \$390,000.00 (CT 146).

On April 14, 1967, appellees filed a memorandum in opposition to the motion for convening of a three-judge District Court (CT 151-53), and on May 17, 1967, filed a motion to strike prayer for damages, to dismiss, and for summary judgment (CT 174-326). On June 12, 1967, the latter motion came on for hearing before the Honorable Albert C. Wollenberg, who announced his ruling denying the



motion for convening of a three-judge District Court. The written order appears at CT 368. Counsel for appellants, announced his intention to appeal and it was stipulated that appellees' motions could go off calendar pending the instant appeal. On June 22, 1967, Judge Wollenberg granted leave to appeal in forma pauperis (CT 905). On July 6, 1967, Judge Wollenberg signed an amended order denying appellants' motion for the convening of a three-judge District Court (CT 911). This order is set forth at AOB 3 and need not be quoted here. Notice of appeal was filed July 12, 1967 (CT 906).

#### APPELLANTS' CONTENTIONS

I. The sole issue on appeal is whether the District Court correctly denied appellants' motion to convene a three-judge District Court on the ground that no substantial constitutional question is presented by the complaint.

II. The District Court erred in finding no substantial federal question.

#### SUMMARY OF APPELLEES' ARGUMENT

I. The issue on appeal is whether the District Court properly denied appellants' motion; the Court's reasons are immaterial.

II. Appellants' complaint below did not seek an injunction against the enforcement of a state statute or



order of a state administrative board or commission within the language of 28 U.S.C. § 2281.

III. The gist of appellants' complaint is an attack on a pattern or practice rather than a statute or regulation, and a three-judge District Court is therefore inappropriate.

IV. The District Court correctly held that the complaint raised no substantial constitutional question requiring adjudication by a three-judge tribunal.

#### ARGUMENT

##### I

THE ISSUE ON APPEAL IS WHETHER  
THE DISTRICT COURT PROPERLY  
DENIED APPELLANTS' MOTION; THE  
COURT'S REASONS ARE IMMATERIAL

We cannot concur in appellants' statement that the sole issue on this appeal is whether the amended complaint below raises one or more substantial constitutional questions. The District Court denied the motion to convene a three-judge court and gave no reasons for its action. Subsequently, the Court signed an order presented by appellants' counsel which stated that there was a controlling question of law involved as to which there is a substantial ground for difference of an opinion, and an immediate appeal from the order of denial might materially advance the ultimate termination of the litigation (CT 911). That question was whether appellants'





claims for injunctive relief raised one or more substantial questions of constitutional law under the standards established in California Water Service Co. v. City of Redding, 304 U.S. 252 (1938) and Ex parte Poresky, 290 U.S. 30 (1933). However, since the order appealed from was an interlocutory order, and not a determination on the merits, appellants were not out of court and the order of denial was not appealable as of right. Only by issuing such an amended order, pursuant to 28 U.S.C. § 1292(4)(b), could the District Court confer jurisdiction on this Court, in its discretion, to hear the instant appeal. Therefore, we do not consider the District Court's certification the equivalent of a full statement giving all of its reasons for the order of denial.

At all events, the reasons of the District Court are immaterial. This appeal is from an order denying a motion to convene a three-judge District Court, and the sole issue is whether the order was correct. The requirement of a three-judge court is jurisdictional. Riss & Co. v. Hoch, 99 F.2d 553 (10th Cir. 1938). If the case is one requiring a three-judge court, any action of a single judge will be nullified by a reviewing court, and vice versa. Covington v. Montgomery County School Bd., 139 F. Supp. 161 (M.D.N.C. 1956). Therefore, it is vital to the parties to have an authoritative determination of the question of



what is the proper tribunal. The instant litigation was commenced almost a year ago, and the preliminary issue of the proper tribunal has not yet been decided.\* We submit that it would be tragic for this Court to decide the instant appeal without deciding definitively the issue of whether the action below is one required to be heard by a panel of three judges under 28 U.S.C. § 2281. Therefore, though we believe the Court below was quite correct in holding that no substantial constitutional questions were raised by the amended complaint, we submit that this Court should consider other arguments relevant to the question of the propriety of a three-judge tribunal.

## II

APPELLANTS' COMPLAINT BELOW DID NOT SEEK  
AN INJUNCTION AGAINST THE ENFORCEMENT  
OF A STATE STATUTE OR ORDER OF A STATE  
ADMINISTRATIVE BOARD OR COMMISSION  
WITHIN THE LANGUAGE OF 28 U.S.C. § 2281

Title 28, section 2281 of the United States

Code provides:

"An interlocutory or permanent injunction  
restraining the enforcement, operation or  
execution of any State statute by restraining

---

\* "The purpose of the three-judge scheme was in major part to expedite important litigation: it should not be interpreted in such a way that litigation, like the present one, is delayed while the proper composition of the tribunal is litigated." Swift & Co. v. Wickham, 382 U.S. 111, 124 (1965).





the action of any officer of such State in the enforcement or execution of such statute or of an order made by an administrative board or commission acting under State statutes, shall not be granted by any district court or judge thereof upon the ground of the unconstitutionality of such statute unless the application therefor is heard and determined by a district court of three judges under section 2284 of this title." (Emphasis added.)

The amended complaint clearly does not seek an injunction against the enforcement of any statute of the State of California. Although, as pointed out infra, the complaint is unclear as to precisely what it seeks to enjoin, we can only assume that an injunction is sought against the enforcement of certain prison regulations. Appellants' failure to plead that the regulations in question were orders "made by an administrative board or commission" renders the complaint insufficient as a basis for convening a three-judge court. Moreover, it is clear that the prison regulations were not made by an administrative board or commission. They were made by one man, the Director of Corrections of the State of California. This is evidenced by our second motion to dismiss below, which includes, appended to Exhibit B, the rules apparently



in question, together with a transmittal letter signed by Mr. Walter Dunbar, then Director of Corrections\* (CT 221-26), and by the fact that the Director of Corrections is vested with the sole power to make prison rules and regulations, which he may change at his pleasure. See Cal. Pen. Code § 5058.

The Director of Corrections is obviously not "an administrative board or commission" within the language of 28 U.S.C. § 2281. Both "board" and "commission" are defined in Webster's New International Dictionary, (2d ed. 1938) in terms of a group or number of individuals. On the few occasions in which the courts have had occasion to define either of these words, they have always recognized that they contemplate a group of two or more persons. See City of Louisville Municipal Housing Comm'n v. Public Housing Administration, 261 S.W.2d 286, 288 (Ky. 1953); Board of Health of New Jersey v. Inhabitants of Town of Phillipsburg, 85 N.J. Eq. 161, 96 Atl. 62 (Ct. Err. & App. 1915); Wilson v. Bleloch, 125 App. Div. 191, 109 N.Y. Supp. 340, 343 (1908) (dissenting opinion); Riddle v. Fairforest Finishing Co., 198 S.C. 419, 18 S.E.2d 341 343 (1942).

In Standard Sec. Serv. Corp. v. King, 161 Tex.

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\* The present Director of Corrections is R. K. Procunier.



448, 341 S.W.2d 423 (1960), the court dealt with a state statute similar to 28 U.S.C. § 2281 in that it allowed a direct appeal to the state supreme court from any order of any trial court granting or denying an interlocutory or permanent injunction on the ground of the constitutionality of any state statute or the validity of any administrative order "issued by any State Board or Commission under any statute of this State." In dismissing an appeal from an order denying an injunction against an order of the State Securities Commissioner, the court held that the Commissioner was not a "State Board or Commission" within the meaning of the statute. "A single administrative or executive officer does not constitute a 'State Board or Commission,' either in a legal sense . . . [citing cases] or in common understanding." 341 S.W.2d at 426.

While the distinction between the Director of Corrections and an "administrative board or commission" may seem somewhat technical, we have no hesitation in presenting it. Because the three-judge procedure dislocates the administration of district and circuit courts and places burdensome demands upon the appellate docket of the Supreme Court, 28 U.S.C. § 2281 is to be read "not as a measure of broad social policy to be construed with great liberality, but as an enactment technical in the strict sense of the term and to be applied as such."





Phillips v. United States, 312 U.S. 246, 251 (1941).

The closeness of the distinction between an individual administrator and an administrative body or tribunal can be illustrated by Sweeney v. State Bd. of Public Assistance, 36 F. Supp. 171, 172, aff'd, 119 F.2d 1023 (3rd Cir.), cert. denied, 314 U.S. 611 (1941), which held that a three-judge court need not be convened to hear a constitutional challenge to the validity of a departmental regulation.

Moreover, our distinction is not so technical as it might at first blush appear. The purpose of 28 U.S.C. § 2281 is to provide "procedural protection against an improvident state-wide doom by a federal court of a state's legislative policy." Ibid. (Emphasis added.) It would seem that the "administrative board or commission" contemplated by the statute would consist of more than one person, thus preventing precipitate action by a single individual, and its members would have some tenure, with a corresponding measure of independence of the appointing authority. Such a body would be a proper one to make a state's "legislative policy." By contrast, the acts of a single state officer, such as the Director of Corrections, who serves at the pleasure of the Governor, Cal. Pen. Code § 5051, are of necessity purely executive functions performed by the Governor's delegate. And it is



settled that an action to enjoin the acts and orders of a state governor is not one to be heard by a three-judge court. Phillips v. United States, supra.

The distinction between orders of the Director of Corrections and those of an "administrative board or commission" also serves to distinguish the instant case from Hatfield v. Bailleaux, 290 F.2d 632 (9th Cir. 1961), wherein this Court stated that an action seeking to enjoin, on the ground of unconstitutionality, the enforcement of prison regulations might have to be heard by a three-judge court but for the fact that the regulations in question were not of state-wide application. The rules there under consideration had been prescribed by the warden but approved, as they had to be, by the Oregon State Board of Control. Id. at 635 n.5. Thus, the "administrative board or commission" requirement was met.

It is therefore submitted that appellants' amended complaint does not seek an injunction against the enforcement of any state statute or order of an administrative board or commission, and consequently does not meet the requirements of 28 U.S.C. § 2281 for the convening of a three-judge District Court.

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### III

THE GIST OF APPELLANTS' COMPLAINT  
IS AN ATTACK ON A PATTERN OR PRACTICE  
RATHER THAN A STATUTE OR REGULATION,  
AND A THREE-JUDGE DISTRICT COURT IS  
THEREFORE INAPPROPRIATE

Although the amended complaint below seeks an injunction against the enforcement of certain regulations of the Director of Corrections, such an injunction is only a small portion of the relief sought. Plaintiffs below alleged and sought relief against a supposed conspiracy to deny them access to the courts. The alleged actions taken pursuant to the "conspiracy" are set out supra, and involve far more than the mere adoption of regulations governing prisoner use of law books and legal assistance by one prisoner to another. It thus appears that the amended complaint below is primarily attacking a "pattern or practice," rather than a prison regulation. Furthermore, it is far from clear that the amended complaint alleges that the prison regulations in question are invalid per se; rather, the contention seems to be that they are invalid in the light of the alleged "conspiracy." Such an attack has been held to be one for a single judge, rather than a three-judge District Court. See Clark v. Thompson, 204 F. Supp. 30 (S.D. Miss. 1962).

In this connection, it may be noted that appellants' claims seem to be primarily of a factual,

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FROM THE FIRST SETTLEMENT  
TO THE PRESENT TIME  
BY  
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IN TWO VOLUMES.  
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rather than a legal nature. As such, their resolution by a three-judge court would be inappropriate. Bartlett & Co., Grain v. State Corp. Comm'n, 223 F. Supp. 975 (D. Kan. 1963). The amended complaint makes numerous factual allegations, and the only one in effect admitted by appellees is the adoption of the regulations under attack. Appellees' motion to dismiss and for summary judgment makes clear that issues of fact would be joined as to other allegations, were it to be held that they stated a cause of action. See CT 174-203. The amended complaint demands a jury trial on contested issues of fact, and requests that a three-judge court be convened to determine the injunction application on the basis of facts found by the jury (CT 145)--surely a novel procedure in litigation before a three-judge District Court.

Moreover, it would appear that even the determination of the validity of the challenged regulations of the Director of Corrections is primarily a factual determination. Appellants assert as their sole constitutional claim that the regulations deny them reasonable access to the courts. The court below observed at oral argument that whether appellants are actually being denied access to the courts is essentially a question of fact. As pointed out by amicus, Hatfield v. Bailleaux, 290 F.2d 632, 637 (9th Cir. 1961) stated: "Whether or not in a



particular case the access afforded is reasonable depends upon all of the surrounding circumstances."

The foregoing observation by this Court is particularly applicable here. It is our position, set out at greater length infra, that the regulation of law book use by prisoners can never interfere with reasonable access of prisoners to the courts. But if the contrary be assumed, arguendo, it is still obvious that the regulations here under attack could not, standing alone, be held unconstitutional. The regulations set forth an exclusive list of law books for prison libraries and prohibit prisoners from possessing personally-owned law books (CT 222). But they also state that state law library privileges for prisoners will be continued (CT 224). Thus, even if it were held that some law books must be made available to prisoners, the validity of the challenged regulations would hinge on the actual availability of state law library books--a purely factual matter. Also indicative of the primarily factual nature of the issues raised by the amended complaint below is the prayer for damages (CT 146), which, absent mutual waiver, could be awarded only by a jury.

We recognize that the mere fact that issues which do not require a three-judge court are joined with issues which do not deprive a three-judge court of





jurisdiction. See Hatfield v. Bailleaux, 290 F.2d 632, 634 n.2 (9th Cir. 1961). But we suggest that the three-judge procedure should be utilized only where pure questions of law are involved. It would be contrary to congressional intent to require three judges, including a circuit judge, to spend weeks in a courtroom hearing testimony in an effort to unravel complex factual issues. And we fail to see how a jury could, as a practical matter, make the complex findings of fact which, in the instant litigation, would frame issues of law in a manner clear enough to enable three judges properly to resolve them. Where, as here, mixed questions of fact and law are present, and questions of fact predominate, it would seem that a single judge is best suited to resolve them. A three-judge court, resembling as it does an appellate tribunal more than a trial court, is ill-suited to resolving the issues of the instant litigation, and its unnecessary use of two busy judges would severely dislocate the administration of this Court and the District Court.

Because appellants' complaint below attacks a pattern or practice rather than a statute or regulation and raises primarily factual questions, we respectfully submit that a three-judge District Court is neither necessary nor proper in the instant litigation.



#### IV

THE DISTRICT COURT CORRECTLY HELD THAT  
THE COMPLAINT RAISED NO SUBSTANTIAL  
CONSTITUTIONAL QUESTION REQUIRING  
ADJUDICATION BY A THREE-JUDGE TRIBUNAL

Appellants agree that a three-judge court is not required where no substantial constitutional question is raised by the pleadings, Swift & Co. v. Wickham, 382 U.S. 113, 115 (1965), but contend that the constitutional questions purportedly raised by their amended complaint are substantial. We disagree.

Appellants seek to rely on the tests for substantiality established by California Water Service Co. v. City of Redding, 304 U.S. 232 (1938) and Ex parte Poresky, 290 U.S. 30 (1933). In the latter case, it was stated that "The question may be plainly unsubstantial, either because it is 'obviously without merit' or because 'its unsoundness so clearly results from the previous decisions of this court as to foreclose the subject . . . .'" Id. at 32. It is our position that any constitutional issue raised by the amended complaint relating to the regulations sought to be enjoined is obviously without merit. Furthermore, they are foreclosed by previous decisions; though these may not be decisions of the United States Supreme Court, it is our position that the doctrine that only decisions of that Court can so foreclose an





issue as to render it insubstantial has been so attenuated as to lose all viability.

There is authority to the effect that a constitutional issue may, for purposes of determining the necessity of convening a three-judge court, be rendered insubstantial by decisions other than those of the Supreme Court. In Voegel v. American Sumatra Tobacco Corp., 192 F. Supp. 689 (D. Del. 1961), the court held certain questions insubstantial on the authority of state-court cases, even though noting that they had never been passed on by the Supreme Court.

Further, it is clear that the doctrine of Supreme Court foreclosure of constitutional issues has been honored more in the breach than the observance. Several cases have held constitutional questions insubstantial without citing Supreme Court decisions. See Swift & Co. v. Wickham, 382 U.S. 111, 114-15 (1965) (no analysis, reasoning, or citation of any authority) Benoit v. Gardner, 351 F.2d 846 (1st Cir. 1965) (citing Supreme Court cases for some points but not for others); Smith v. California, 336 F.2d 530 (9th Cir. 1964); Powell v. Workmen's Compensation Bd. of New York, 327 F.2d 131 (2d Cir. 1964).

And if questions can be rendered insubstantial by decisions of courts other than the Supreme Court, then



the questions here are certainly insubstantial. The amended complaint below attacks as unconstitutional only those regulations which limit the titles and numbers of law books available in prison libraries, prevent inmates from possessing personally-owned law books, and forbid inmates to prepare legal documents for one another. A decision of this Court, Hatfield v. Bailleaux, 239 F.2d 632 (9th Cir. 1961), cert. denied, 368 U.S. 362 (1961), has decided the constitutionality of similar rules in a manner directly contrary to appellants' position. That case clearly holds that state authorities have no constitutional duty to provide law books for prisoners, permit them to possess any law books, or permit them to engage in the unauthorized practice of law by preparing legal documents for other prisoners. Subsequent federal decisions are in accord with Hatfield. E.g., Lee v. Tahash, 362 F.2d 970, 943-74 (8th Cir. 1965); Roberts v. Pepersack, 256 F. Supp. 415, 433-34 (D. Md. 1966); United States v. Pennsylvania, 247 F. Supp. 4, 13 (E.D. Pa. 1965); Austin v. Harris, 226 F. Supp. 304, 307 (W.D. Mo. 1964). So are California cases. In re Allison, 66 A.C. 276, 425 P.2d 193, 57 Cal.Rptr. 593 (1967); In re Schoengarth, 66 A.C. 288, 425 P.2d 200, 57 Cal.Rptr. 600 (1967).



Amicus has made a feeble attempt to cite contrary authority in an attempt to show that the question is still open. Brief of Amicus Curiae, p. 7. But this authority does not aid appellants. In United States ex rel. Mayberry v. Prasse, 225 F. Supp. 752 (E.D. Pa. 1963), it was held that under the circumstances of the particular case, the petitioner had a right to be allowed to purchase a copy of the state rules of procedure. That case was expressly limited to its facts in United States v. Pennsylvania, supra, at 13 n.18. It is the only authority we have found to the effect that a prisoner can ever be held to have a constitutional right to any law book. But it is interesting to note that the regulations here under attack provide for thirteen named law books to be stocked in every California prison library, and these books include state and federal court rules. In Mayberry, supra, the prison provided no law books at all.

Amicus also cites Gaito v. Prasse, 312 F.2d 169 (3rd Cir. 1963) and Barone v. Warden, Manhattan House of Detention for Men, 209 F. Supp. 309 (S.D.N.Y. 1962), both of which turned upon the doctrine of exhaustion of remedies and neither of which intimated that the claims of denial of law books stated any ground for relief. Finally, amicus refers the Court to Johnson v. Avery, 252 F. Supp. 783 (M.D. Tenn. 1966). This case has become a favorite





of prisoners since publication of the opinion of the District Court. It correctly holds that prisoners have no right to law books, but comes to the unsound conclusion that they do have a right to assist one another in the preparation of federal habeas corpus petitions. This was the only decision which had even intimated the existence of such a right. Fortunately, it has been reversed by the Court of Appeals for the Sixth Circuit, and an unseemly blemish on the law thus removed. Since the reversing opinion has not yet been published in the reports, we are printing a copy in the appendix to this brief. The opinion of the Court of Appeals, we think, underscores the fact that the matter is no longer "open to discussion." See Brief of Amicus Curiae, p. 7.

We suggest also that the refusal of the Supreme Court ever to hear a case presenting issues of the sort raised herein speaks quite as loudly as any formal decision of that Court, and lends weight to the proposition that these questions are not substantial.

If decisions of courts other than the Supreme Court are not held sufficient to "foreclose" the issue of substantiality, they certainly set up a legal framework within which to determine whether appellants' claims are "obviously without merit." We submit that the obvious lack of merit in appellants' attacks on the prison



regulations in question follows from the principle set forth in Hatfield v. Bailleaux, supra. This principle is simply that a prisoner seeking to file in federal court a petition for habeas corpus or a complaint under the Civil Rights Act need do no more than make factual allegations. Legal arguments are no proper part of such a petition or complaint, and in fact detract from its effectiveness. Access to law books is therefore wholly unnecessary to the preparation of such a petition or complaint. Any legal knowledge necessary for the preparation of a habeas corpus petition is supplied by the forms appended to our motion to dismiss below (Exhibits C, D, and E, appearing at CT 232-249). And any contention that illiterate inmates are denied access to the courts unless other inmates are allowed to prepare petitions for them is met in light of the prison regulations under attack, which permit prison personnel to prepare petitions for inmates physically unable to do so.

In an attempt to show that their contentions are not "obviously without merit," appellants refer to the words of Judge Sweigert who, in his order of January 10, 1967, appointed counsel because the actions theretofore filed by prisoners in propria persona "raise important questions . . . ." (CT 69). This is far from





an adjudication that the contentions were substantial enough to require a three-judge court, and there is no indication that it was intended to be. But if appellants wish to regard this order as authority, we will accept it as authority for our own position. Where a complaint has been filed which can properly be heard only by a three-judge court, the single judge to whom it is presented has the duty of convening a three-judge court sua sponte. Borden Co. v. Liddy, 309 F.2d 871 (8th Cir. 1962), cert. denied, 372 U.S. 953 (1963). Therefore, since Judge Sweigert failed to convene such a court, his order must be authority for the proposition that it was not necessary to do so. Moreover, if appellants wish to indulge in a battle of District Court minute orders, we direct their attention to the order of the Honorable Robert F. Peckham in Beattie v. Nelson, Misc. No. 1943 (N.D. Cal. October 2, 1967). The order recites that the plaintiff (incidentally, one of the named plaintiffs below) sought permission to file in forma pauperis a civil rights complaint contending that the warden of the California State Prison at San Quentin had prohibited him from purchasing legal materials. Judge Peckham ruled that the complaint failed to state a federal question and denied permission to file it in forma pauperis. The order is printed in the appendix to this brief.



In sum, we submit that the Court below was clearly correct in concluding that appellants' attack on the challenged prison regulations failed to present a substantial federal question. And we must note our disagreement with the suggestion of amicus (Brief of Amicus Curiae, p. 2) that the Court's order amounted to a dismissal on the merits. At the request of counsel for appellants, Judge Wollenberg expressly withheld any ruling on the merits of the complaint. His ruling denying a motion to convene a three-judge court left open the possibility that the complaint in toto, including an attack on the challenged regulations in the light of the other contentions put forward, could present a substantial federal question for a decision by a single judge.

#### CONCLUSION

We have shown that plaintiffs' complaint failed to challenge the constitutionality of a state statute or order of an administrative board or commission, within the language of 28 U.S.C. § 2281, constituted an attack upon a pattern or practice, which attack presented largely factual issues, and failed to raise a substantial federal question concerning the constitutionality of the challenged prison regulations. We submit that any or all of these points constitute a sufficient basis for upholding the

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ruling of the Court below, and therefore respectfully  
request that the judgment of the District Court be  
affirmed.

Dated: October 11, 1967.

THOMAS C. LYNCH, Attorney General  
of the State of California

ROBERT R. GRANUCCI  
Deputy Attorney General

  
GEORGE R. NOCK  
Deputy Attorney General

Attorneys for Appellees.

GRN:em  
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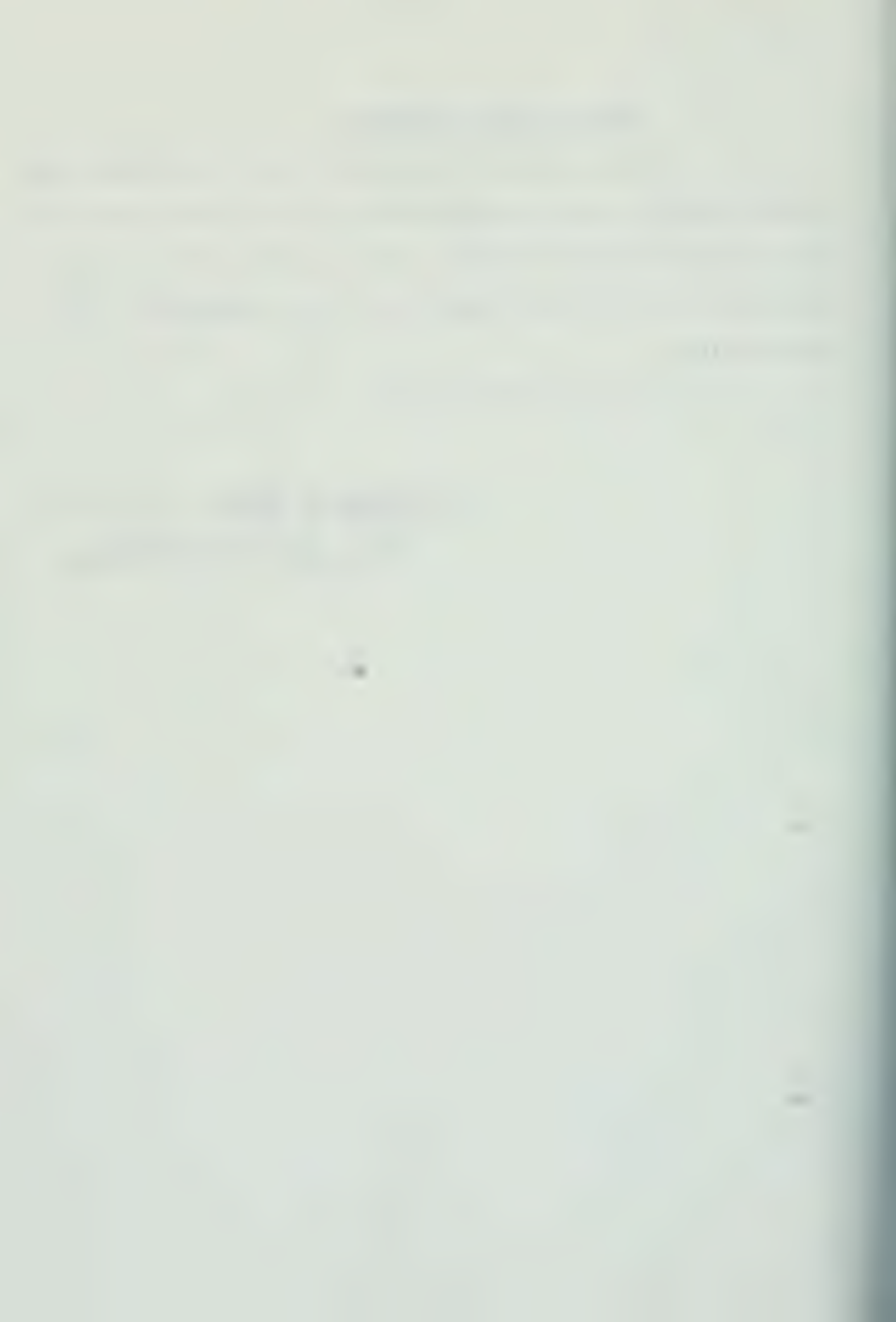
CERTIFICATE OF COUNSEL

I certify that in connection with the preparation of this brief, I have examined Rules 18, 19, and 39 of the United States Court of Appeals for the Ninth Circuit and that in my opinion this brief is in full compliance with these rules.

Dated: October 11, 1967.

George R. Nock

GEORGE R. NOCK  
Deputy Attorney General  
of the State of California



# A P P E N D I X





FILED

AUG 31 1967

No. 17292

CARL W. REUSS, Clerk

UNITED STATES COURT OF APPEALS  
FOR THE SIXTH CIRCUIT

WILLIAM JOE JOHNSON,

*Petitioner-Appellee,*

v.

HARRY S. AVERY, Commissioner of  
Correction, and

C. MURRAY HENDERSON, Warden,  
Tennessee State Penitentiary,

*Respondents-Appellants.*

APPEAL from United  
States District Court,  
Middle District of  
Tennessee, Nashville  
Division.

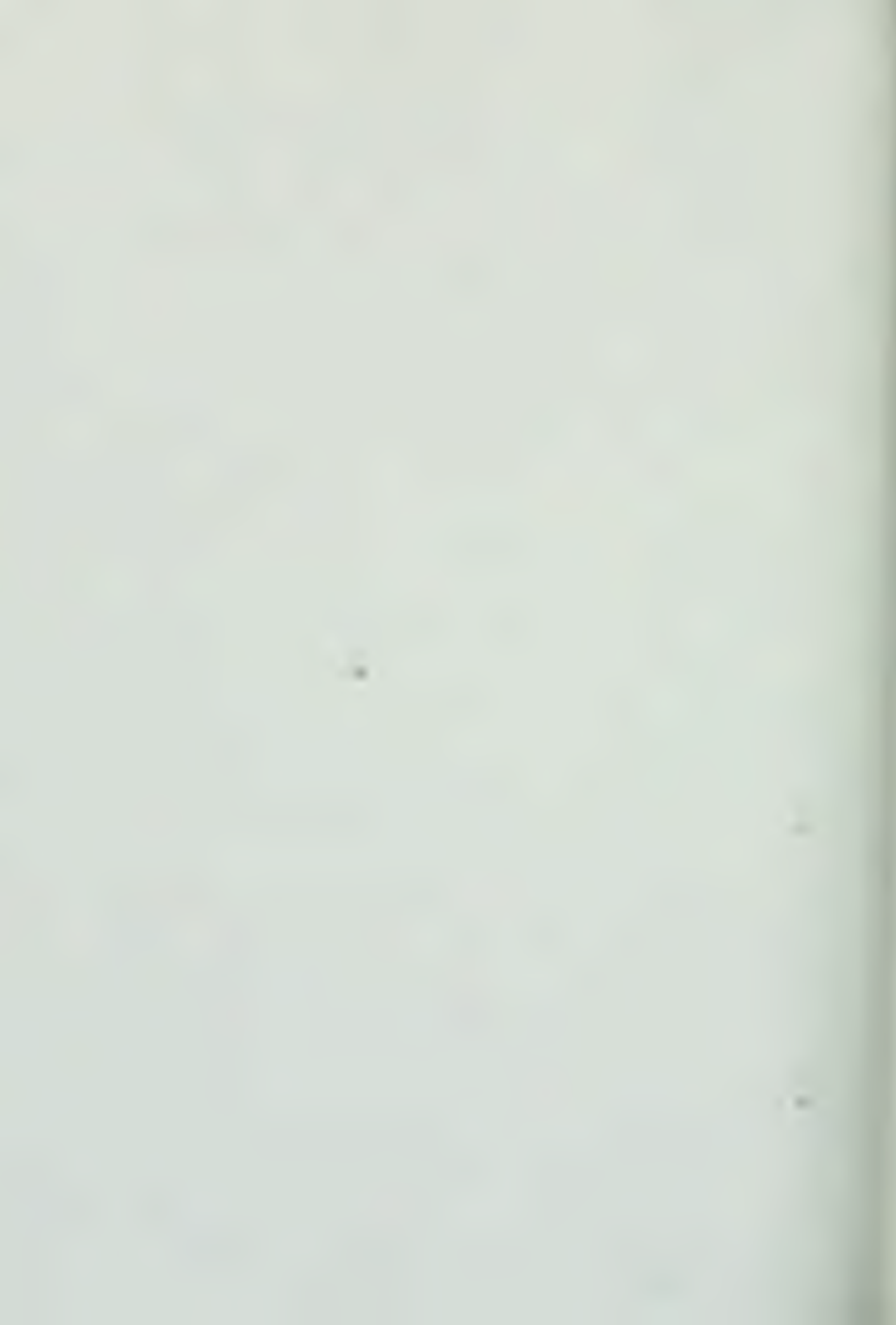
Decided August 31, 1967.

Before WEICK, Chief Judge, PECK, Circuit Judge, and CECIL,  
Senior Circuit Judge.

Weick, Chief Judge. The crux of this case is the question of validity of a regulation of the Tennessee State Penitentiary at Nashville, which prohibits any inmate from advising or assisting other prisoners in the preparation or filing of writs of habeas corpus or other legal papers.<sup>1</sup> The regulation was promulgated and enforced by the defendants-appellants in

<sup>1</sup> Guidance Manual for Prisoners, Sec. VI, page 7: -

"No inmate will advise, assist or otherwise contract to aid another, either with or without a fee, to prepare Writs or other legal matters. It is not intended that an innocent man be punished. When a man believes he is unlawfully held or illegally convicted, he should prepare a brief or state his complaint in letter form and address it to his lawyer or a judge. A formal Writ is not necessary to receive a hearing. False charges or untrue complaints may be punished. Inmates are forbidden to set themselves up as practitioners for the purpose of promoting a business of writing Writs."

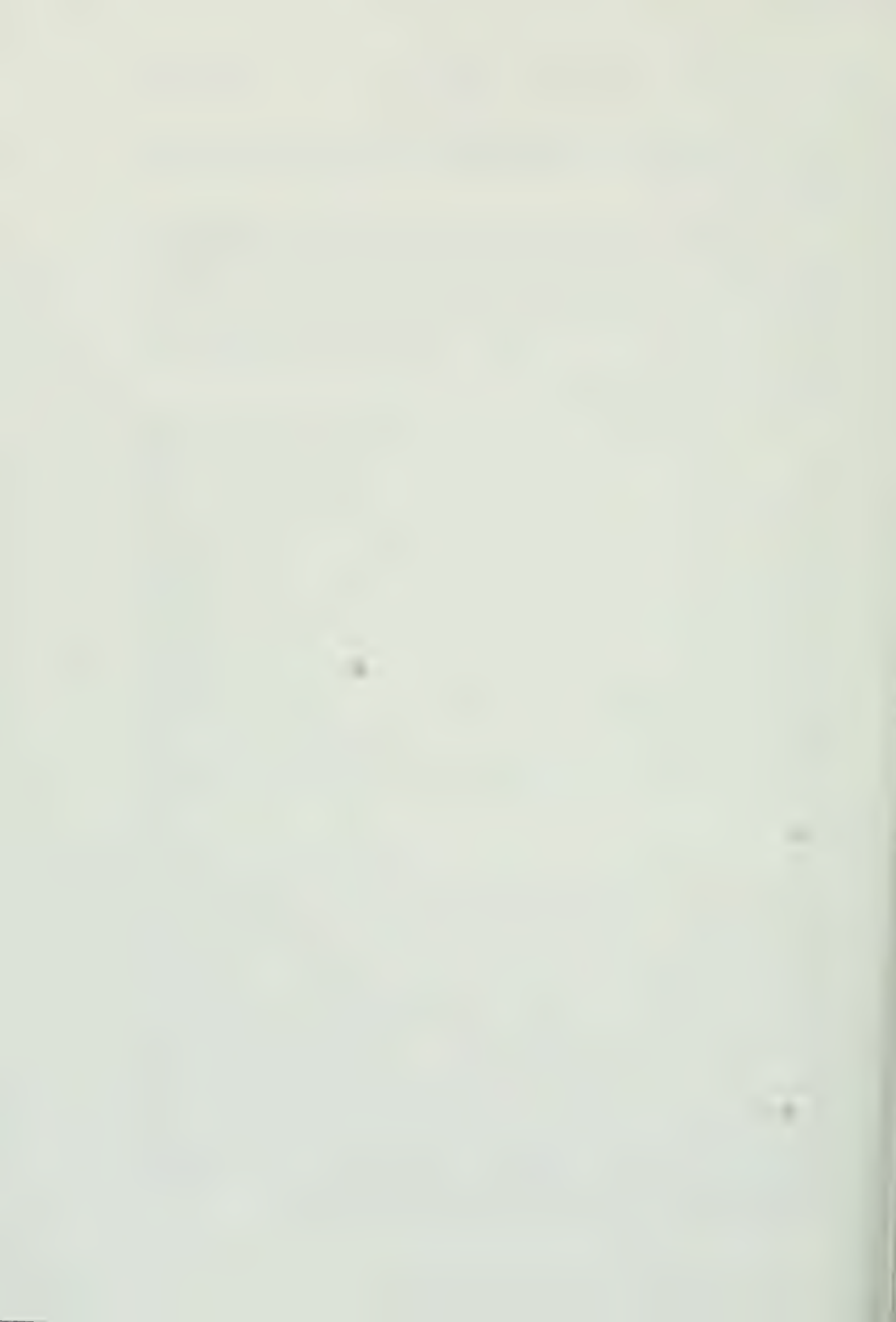


their official capacities as Commissioner of Correction of the State of Tennessee and Warden of the State Penitentiary, respectively.

After being subjected to punishment for repeated violations of the rule, usually by confinement in the "maximum security building" of the prison, petitioner filed a "motion for law books and a typewriter", which the District Court treated as an application for a writ of habeas corpus, and granted. The prison authorities appealed.

The District Court reasoned that because the words of the habeas corpus statute, 28 U.S.C. § 2242, authorized the filing of an application for a writ of habeas corpus "signed and verified by the person for whose relief it is intended *or by someone acting in his behalf*" (emphasis added), the prison regulation conflicted with the Federal law. The District Court further held that unless petitioner could continue to serve as a "writ writer" or "jailhouse lawyer" for his fellow inmates, their constitutional rights to the effective aid of habeas corpus would be endangered since "without the assistance of some third party, many prisoners in the state penitentiary would be totally incapable of preparing an intelligible petition, letter, or request." We must disagree with both of these conclusions.

At the outset, we agree with the holding of the District Court that petitioner has standing to question the validity of the regulation. While defendants urge that petitioner himself has never been denied the right to file petitions on his own behalf in Federal or state courts, it seems clear that he has been subjected to a restraint upon his liberties unauthorized by the life sentence he is serving. In such a case, habeas corpus will lie to inquire into the lawfulness of this added punishment, even though it will not result in his unconditional release from prison. *Martin v. Commonwealth of Virginia*, 349 F.2d 781 (4th Cir. 1965); *Coffin v. Reichard*, 143 F.2d 443 (6th Cir. 1944) *cert. denied* 325 U.S. 887 (1945).



The perspective through which we view this question, even though it seems one of first impression, must be framed by the well-established reluctance of the Federal Courts to intervene in internal affairs of state or Federal penal institutions. Regulations for the administration and discipline of prisons, promulgated and enforced by duly authorized officials, are not subject to review by the courts unless it can be clearly demonstrated that they interfere with fundamental rights guaranteed by the Constitution. *United States v. Marchese*, 341 F.2d 782 (9th Cir. 1965) *cert. denied* 382 U.S. 817 (1965); *McCloskey v. Maryland*, 337 F.2d 72 (4th Cir. 1964); *Kirby v. Thomas*, 336 F.2d 462 (6th Cir. 1964); *Sostre v. McGinnis*, 334 F.2d 906 (2nd Cir. 1964) *cert. denied* 379 U.S. 892 (1964); *Childs v. Pegelow*, 321 F.2d 487 (4th Cir. 1963) *cert. denied* 376 U.S. 932 (1964); *Hatfield v. Bailleaux*, 290 F.2d 632 (9th Cir. 1961) *cert. denied* 368 U.S. 862 (1961); *Siegel v. Ragen*, 180 F.2d 735 (7th Cir. 1950) *cert. denied* 339 U.S. 920 (1950).

This proposition is soundly based on the fact that prison administration is a function of the executive branch of the Government and one for which the courts, with their limited experience and facilities, are ill-suited to undertake. Further, in this case the imperatives of our Federal system require special concern for the boundaries of state and Federal governmental competence as allocated by our basic charter.

An important additional consideration here is the undisputed right of individual states to specify the qualifications for entrance to their respective bars and to regulate the practice of law within their borders. *Konigsberg v. State Bar of California*, 366 U.S. 36 (1961); *In re Anastaplo*, 366 U.S. 82 (1961); *In re Lockwood*, 154 U.S. 116 (1894); *Bradwell v. Illinois*, 83 U.S. (16 Wall.) 130 (1872); *Emmons v. Smitt*, 149 F.2d 869 (6th Cir. 1945) *cert. denied* 326 U.S. 746 (1945); *Niklaus v. Simmons*, 196 F. Supp. 691 (D. Neb. 1961). See also *Theard v. United States*, 354 U.S. 278 (1957); *Williamson v. Lee Optical of Oklahoma, Inc.*, 348 U.S. 483 (1955).

While the interests of the states are sometimes deemed less





significant than those provisions of the Constitution upon which they may impinge, see *Brotherhood of Railroad Trainmen v. Virginia*, 377 U.S. 1 (1964), *NAACP v. Button*, 371 U.S. 415 (1963), *Konigsberg v. State Bar of California*, 353 U.S. 252 (1957), *Schwartz v. Board of Bar Examiners of New Mexico*, 353 U.S. 232 (1957), it is interesting to note that in all cases where the state's regulatory power was limited in deference to Constitutional standards, the practitioners involved were all concededly qualified to practice law by previous academic training. In no case has the Constitution been read to grant an untrained and unlicensed person the right to practice law.

The State of Tennessee has enacted a series of statutes governing qualification and admission to the practice of law, T.C.A. §§ 29-101 - 110; the rights and duties of attorneys, T.C.A. §§ 29-201 - 204; and unauthorized practice and improper conduct, T.C.A. §§ 29-301 - 312. These sections include provisions for court assignment of counsel for paupers, permission for any party to conduct his own case, prohibitions upon the unlawful practice of law, and penalties for falsely representing oneself as an attorney. Petitioner does not allege that he has complied with any of these laws, despite the fact that his activities clearly constitute unlawful practice in Tennessee<sup>4</sup>.

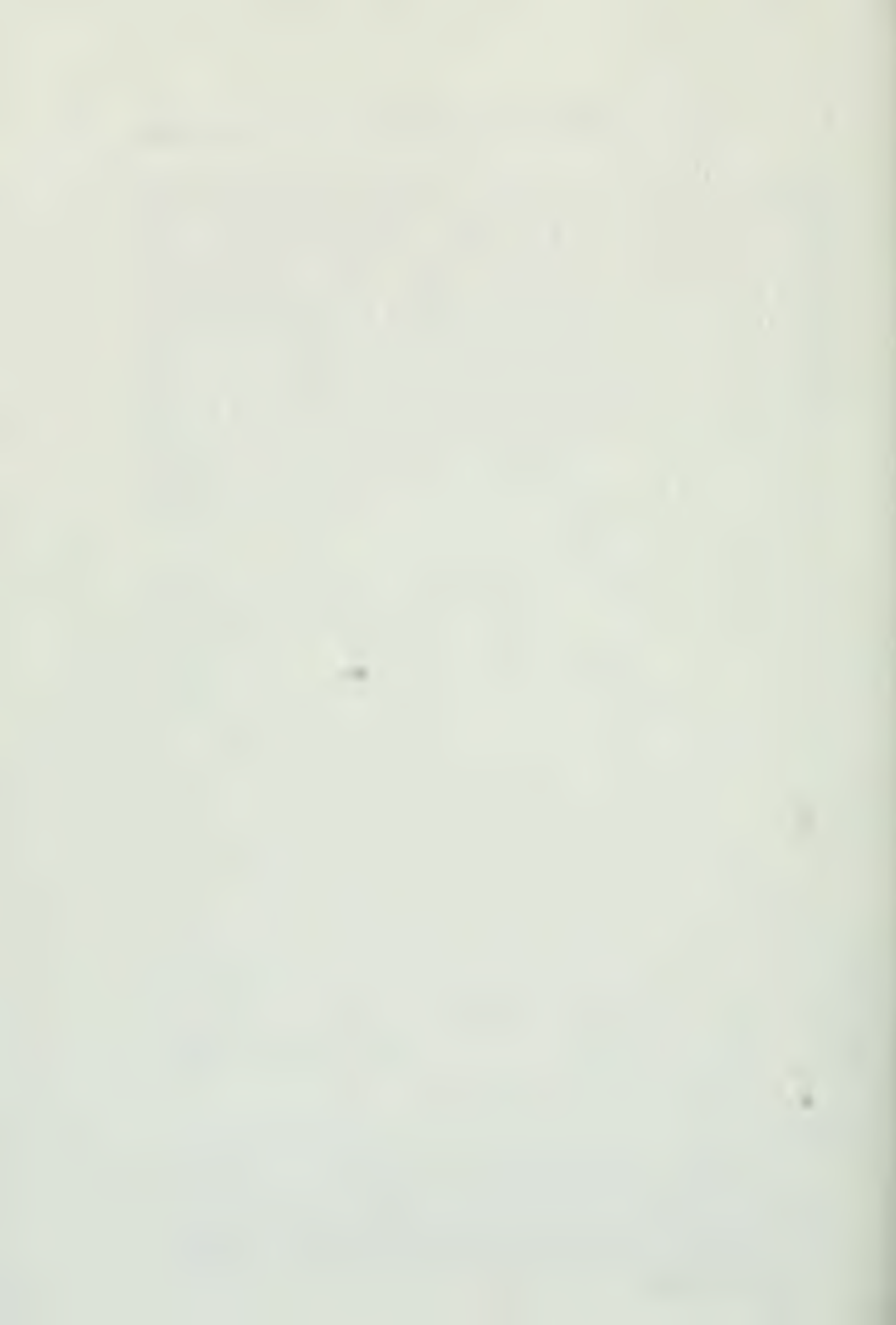
In essence, then, the ruling of the District Court allows petitioner to engage in activity in the state prison which would constitute a crime if conducted outside the penitentiary. (There seems to be little question that petitioner, a convicted felon, could ever obtain a license to practice in state or Federal Courts even if he had the required legal education, which he does not have.)

The main thrust of the District Court's opinion on this issue

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<sup>4</sup> T.C.A. § 29-302 defines the practice of law in Tennessee as follows:

"The 'practice of law' is defined to be and is the appearance as an advocate in a representative capacity or the drawing of papers, pleadings or documents, or the performance of any act in such capacity in connection with proceedings pending or prospective before any court, commissioner, referee or any body, board, committee or commission constituted by law or having authority to settle controversies."



was that petitioner's services are needed to make other prisoners' rights to habeas corpus effective in light of their own limited abilities. We believe that on closer analysis this right to effective post-conviction procedures does not warrant so drastic a limitation on the power of the state to regulate discipline in its penal institutions and to control the practice of law within its borders.

While we agree that representation by counsel may be a significant part of the post-conviction remedy, it is important to recognize that the Supreme Court has not yet held that it is an indispensable element of due process under the Constitution. Several circuits have stated the advisability of appointing counsel. *Taylor v. Pegelow*, 335 F.2d 147 (4th Cir. 1964); *Dillon v. United States*, 307 F.2d 445 (9th Cir. 1962); *United States v. Wilkins*, 281 F.2d 707 (2d Cir. 1960). However, it is not required in every such case, *Barker v. Ohio*, 330 F.2d 594 (6th Cir. 1964). In any event, the Federal Courts have power to appoint counsel for indigents in proceedings before them to assure the protection of the indigents' rights. 28 U.S.C. § 1915(d).

The same concern for effectuating basic Constitutional rights through representation by counsel, which motivated the District Court in this case, is evidenced in recent cases in which the Supreme Court has defined the need for counsel in "critical" pre-trial stages, *Escobedo v. Illinois*, 378 U.S. 478 (1964); *Miranda v. Arizona*, 384 U.S. 436 (1966); *United States v. Wade*, — U.S. — (1967), as well as at trial, *Gideon v. Wainwright*, 372 U.S. 335 (1963).

Yet in none of those cases did the Court indicate that these rights could be protected through representation by a layman. To the contrary, the Court has consistently emphasized that it is representation *by trained counsel* which is necessary to take advantage of the full scope of an accused's rights and shield him from unfair tactics or his own ignorance.

We agree with this approach to the problem of effectuating Constitutional rights both as to pre-trial events and post-con-





viction proceedings. Indeed, we believe that no favor is granted to the other prisoners by allowing them representation by one untrained in the complexities of post-conviction procedure and unrestrained by the values, ethics, and traditions of the bar. It takes little imagination to recognize possibilities of conflict of interest in allowing one who is a convicted murderer, rapist or burglar, serving a long sentence, to represent prisoners who have possible meritorious claims.

We do not agree with the District Court that "[b]y preparing petitions for other prisoners, the petitioner is certainly acting in their behalf." Neither the language nor the policy of 28 U.S.C. § 2242 justifies such a conclusion.

The provision of the law authorizing someone to act on behalf of a prisoner whose release is sought, relates only to the act of signing or verifying the petition, and we do not interpret that authorization to include the preparing of legal papers and serving as an attorney in violation of state law. In addition, the inability or incompetency to which this section is addressed is not the inability to draft legal papers as the District Court seems to hold. Most laymen lack that ability and it would hardly be necessary to include a special provision of law to authorize the employment of trained legal assistance in preparing papers. It seems clear that the situation to which this provision was meant to apply, is one where physical or mental handicaps prevent the prisoner from personally signing or verifying the petition, not one wherein lack of intelligence or legal training keep him from drafting his own papers. See *United States v. Houston*, 273 Fed. 915 (2d Cir. 1921).

The problem of providing effective access to legal assistance at all stages of criminal justice, from pre-trial to post-conviction, certainly deserves the concern which the District Court showed in this case. However, its solution is more likely to be assured if it is attended to by the bench, bar, and law schools rather than left to the *ad hoc* procedures sanctioned in the District Court.

Reversed.



The first of these is the fact that the American Medical Association has been successful in securing the passage of the Federal Food and Drug Act, which is a landmark in the history of the regulation of the food and drug trade in this country. This act is a comprehensive one, covering the entire field of food and drug regulation, and it is a very important one, as it will tend to protect the public from the sale of adulterated and misbranded food and drugs. The second of these is the fact that the American Medical Association has been successful in securing the passage of the Federal Pure Food and Drug Act, which is another landmark in the history of the regulation of the food and drug trade in this country. This act is also a comprehensive one, covering the entire field of food and drug regulation, and it is a very important one, as it will tend to protect the public from the sale of adulterated and misbranded food and drugs. The third of these is the fact that the American Medical Association has been successful in securing the passage of the Federal Food and Drug Administration, which is a new department of the Federal Government, and it is a very important one, as it will tend to protect the public from the sale of adulterated and misbranded food and drugs.

The American Medical Association has also been successful in securing the passage of the Federal Food and Drug Act, which is a landmark in the history of the regulation of the food and drug trade in this country. This act is a comprehensive one, covering the entire field of food and drug regulation, and it is a very important one, as it will tend to protect the public from the sale of adulterated and misbranded food and drugs. The American Medical Association has also been successful in securing the passage of the Federal Pure Food and Drug Act, which is another landmark in the history of the regulation of the food and drug trade in this country. This act is also a comprehensive one, covering the entire field of food and drug regulation, and it is a very important one, as it will tend to protect the public from the sale of adulterated and misbranded food and drugs.

174  
U.S. DISTRICT COURT

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IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

ALBERT G. BEATTIE,

Petitioner,

vs.

L. S. NELSON, Warden, San Quentin  
Prison, Mr. James W.L. Park,  
Administrator, San Quentin Prison, et al.,

Respondents.

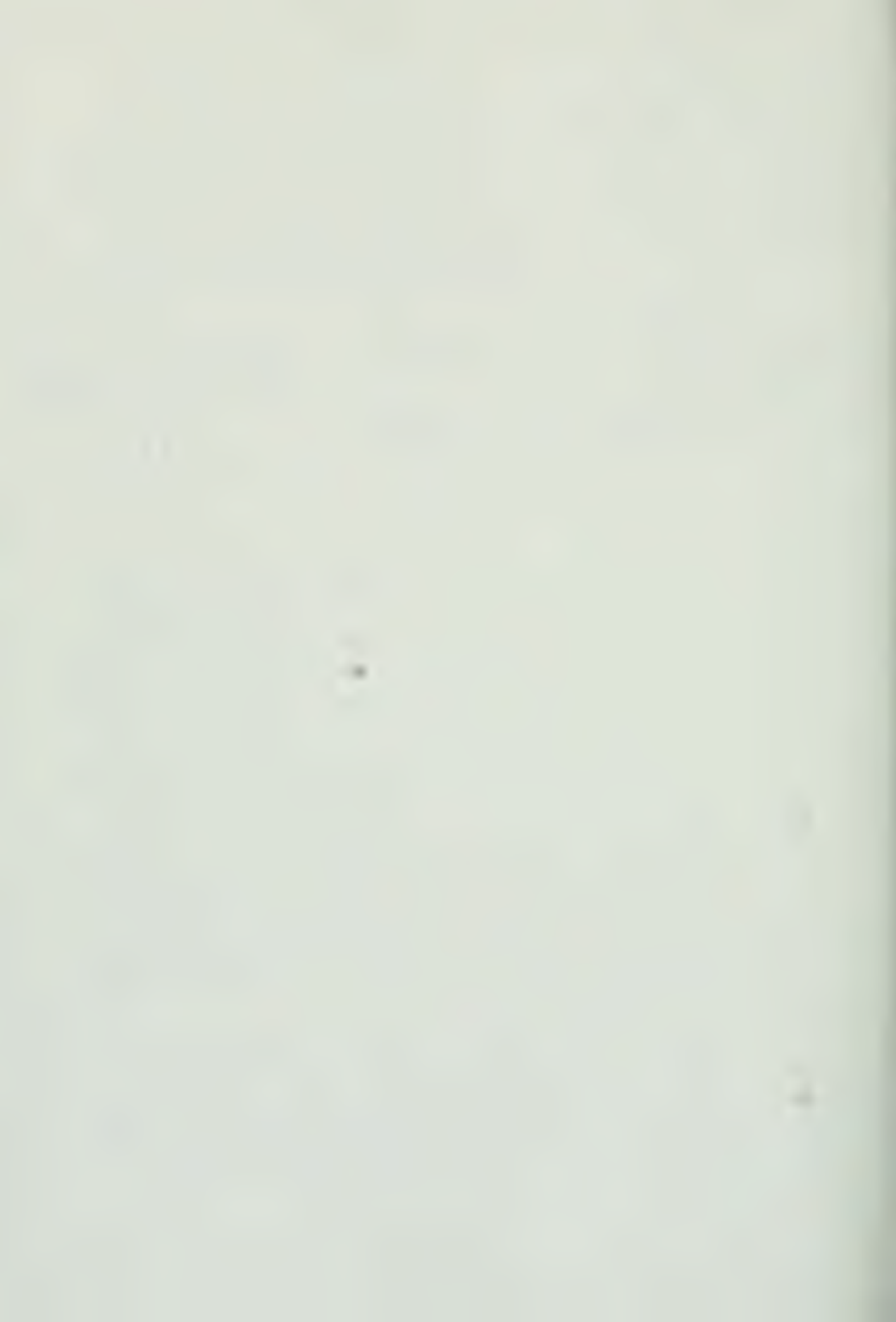
1943  
No. \_\_\_\_\_

ORDER

Plaintiff, an inmate at San Quentin State Prison, requests permission to file in forma pauperis a civil rights complaint against Warden Nelson wherein he contends that the named respondent has prohibited plaintiff from purchasing legal materials with his own funds, said legal materials being necessary for the proper research and presentation of his pending legal actions.

Except under extraordinary circumstances, the federal courts will not inquire into the internal matters of a state penitentiary. See U.S. ex rel Lee v. Illinois, 343 F.2d 120 (7th Cir. 1965); Lee v. Takash, 352 F.2d 970 (8th Cir. 1965). The instant case does not present a factual situation of an extraordinary nature. Prison inmates have no constitutional right to accumulate their own personal law library. See Patfield v. Pailleur, 290 F.2d 632 (9th Cir. 1961).

This is not a case, as in DeWitt v. Pail, 366 F.2d 682 (9th Cir. 1966), where the action of the respondent has interfered with an inmate's access to the courts. Here there is no allegation of a deprivation of a right, privilege, or immunity secured by the Constitution which is necessary to bring the



complaint within the framework of the Civil Rights Act, Title 42 U.S.C.A. § 1983.

In Shobe v. State of California, 362 F.2d 545 (9th Cir. 1966), it was held that the privilege of filing and prosecuting a civil action under the provisions of 28 U.S.C. § 1915 is a matter within the discretion of this Court. Pursuant to that discretion, leave to file this complaint in forma pauperis is hereby DENIED.

DATED: September 29, 1967.

S/Robert E. Beckham  
United States District Judge



No. 22052 A-B-C-D-E-F-G

UNITED STATES COURT OF APPEAL

FOR THE NINTH CIRCUIT

JOHN VAN GELDER, IRVING )  
G. ROBERTSON, ALBERT G. )  
BEATTIE, and ROBERT O. )  
GILMORE, JR., et al., )  
 )  
Appellants, )  
 )  
vs. )  
 )  
RICHARD A. McGEE, Ad- )  
ministrator, LAWRENCE )  
E. WILSON, Warden, and )  
PEOPLE OF THE STATE OF )  
CALIFORNIA, et al., )  
 )  
Appellees. )  
 )  
\_\_\_\_\_ )

BRIEF OF THE AMERICAN CIVIL LIBERTIES

UNION OF NORTHERN CALIFORNIA

AMICUS CURIAE.

MARSHALL W. KRAUSE  
PAUL N. HALVONIK  
American Civil Liberties Union  
of Northern California  
503 Market Street  
San Francisco, California 94105

Attorneys for Amicus Curiae

FILED

SEP 12 1967

WM. B. LUCK CLERK





No. 22052 A-B-C-D-E-F-G

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JOHN VAN GELDER, IRVING	)
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Appellants,	)
	)
vs.	)
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ministrator, LAWRENCE	)
E. WILSON, Warden, and	)
PEOPLE OF THE STATE OF	)
CALIFORNIA, et al.,	)
	)
Appellees.	)
	)

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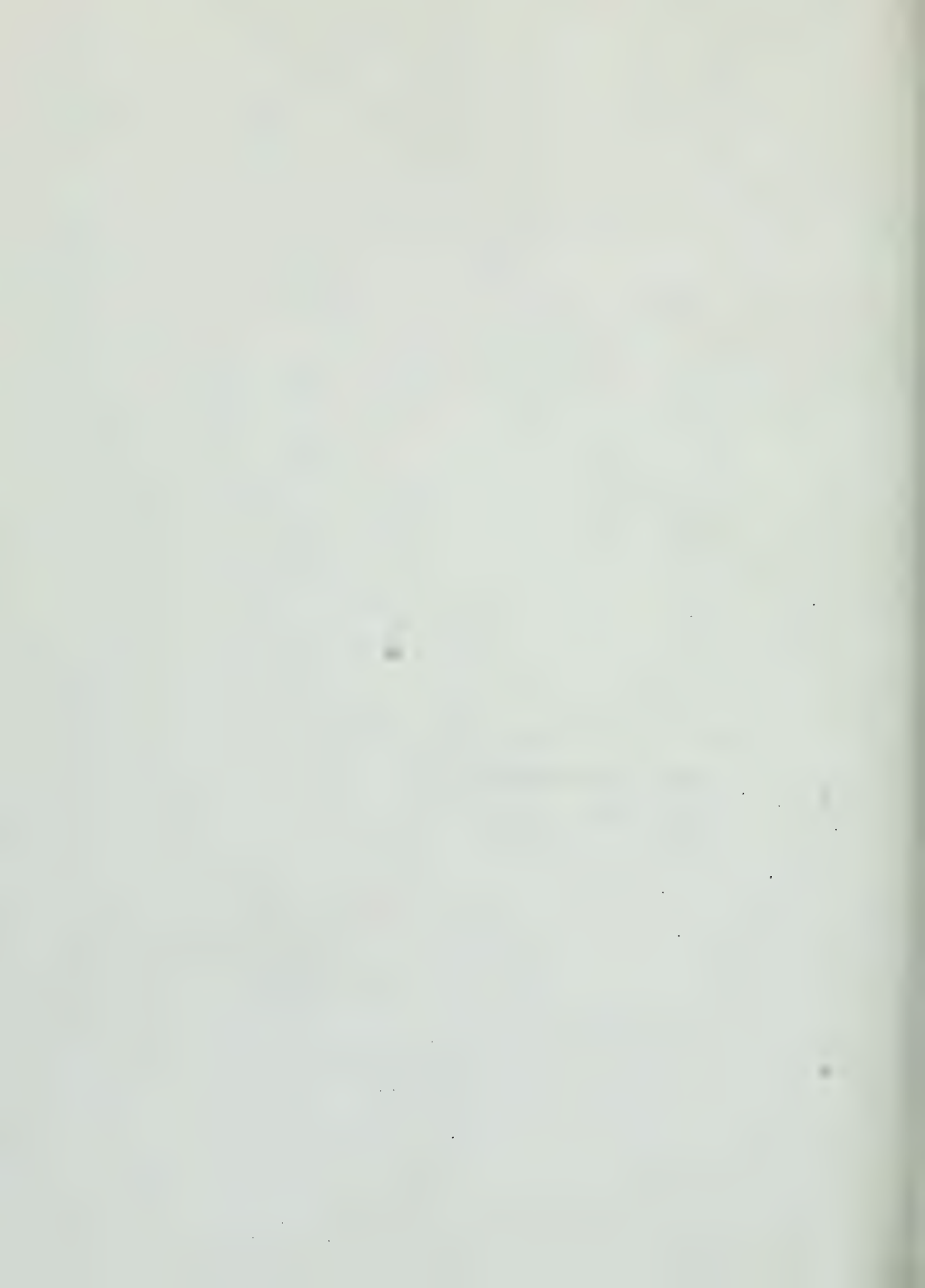
BRIEF OF THE AMERICAN CIVIL LIBERTIES

UNION OF NORTHERN CALIFORNIA

AMICUS CURIAE.

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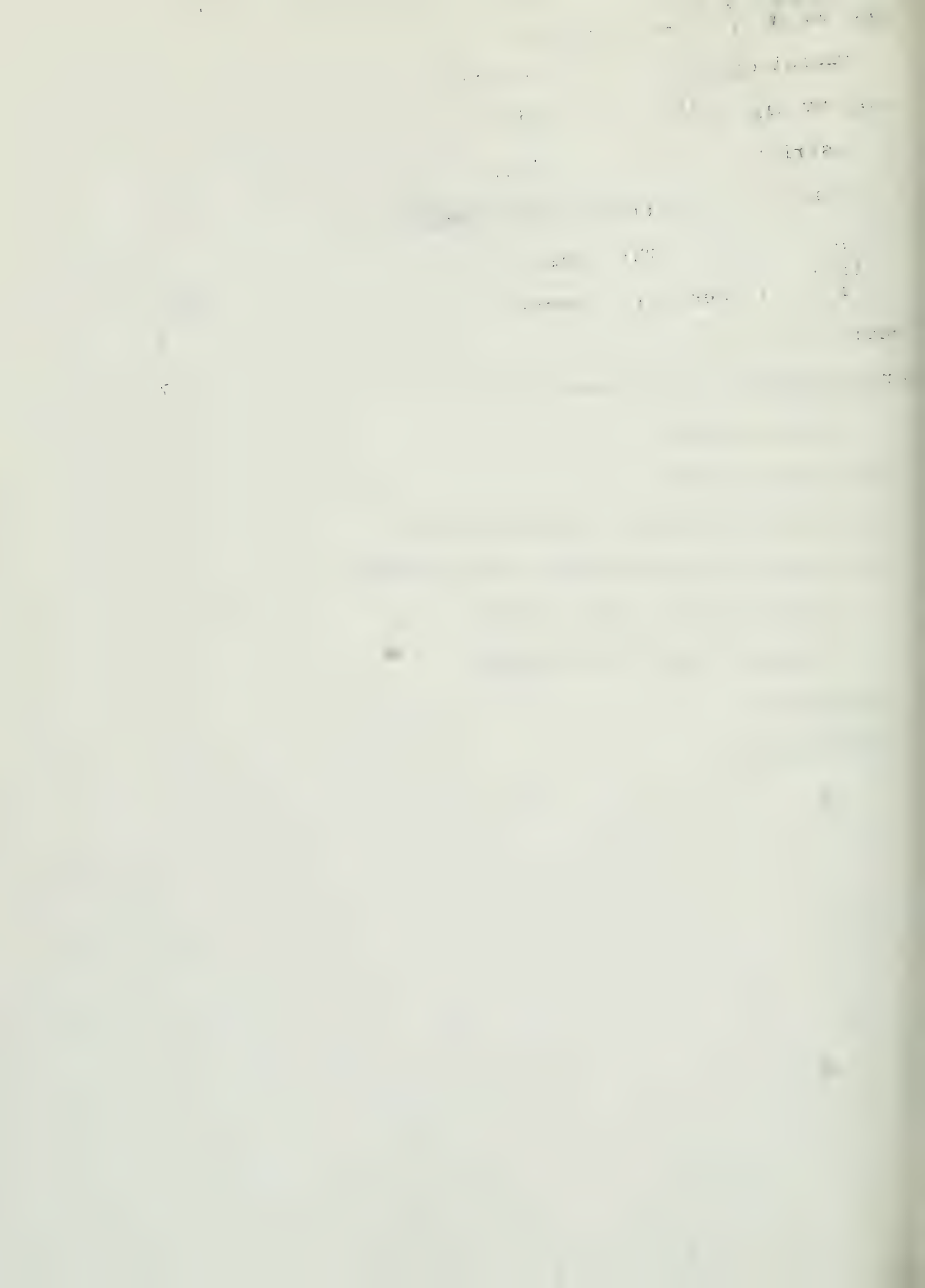
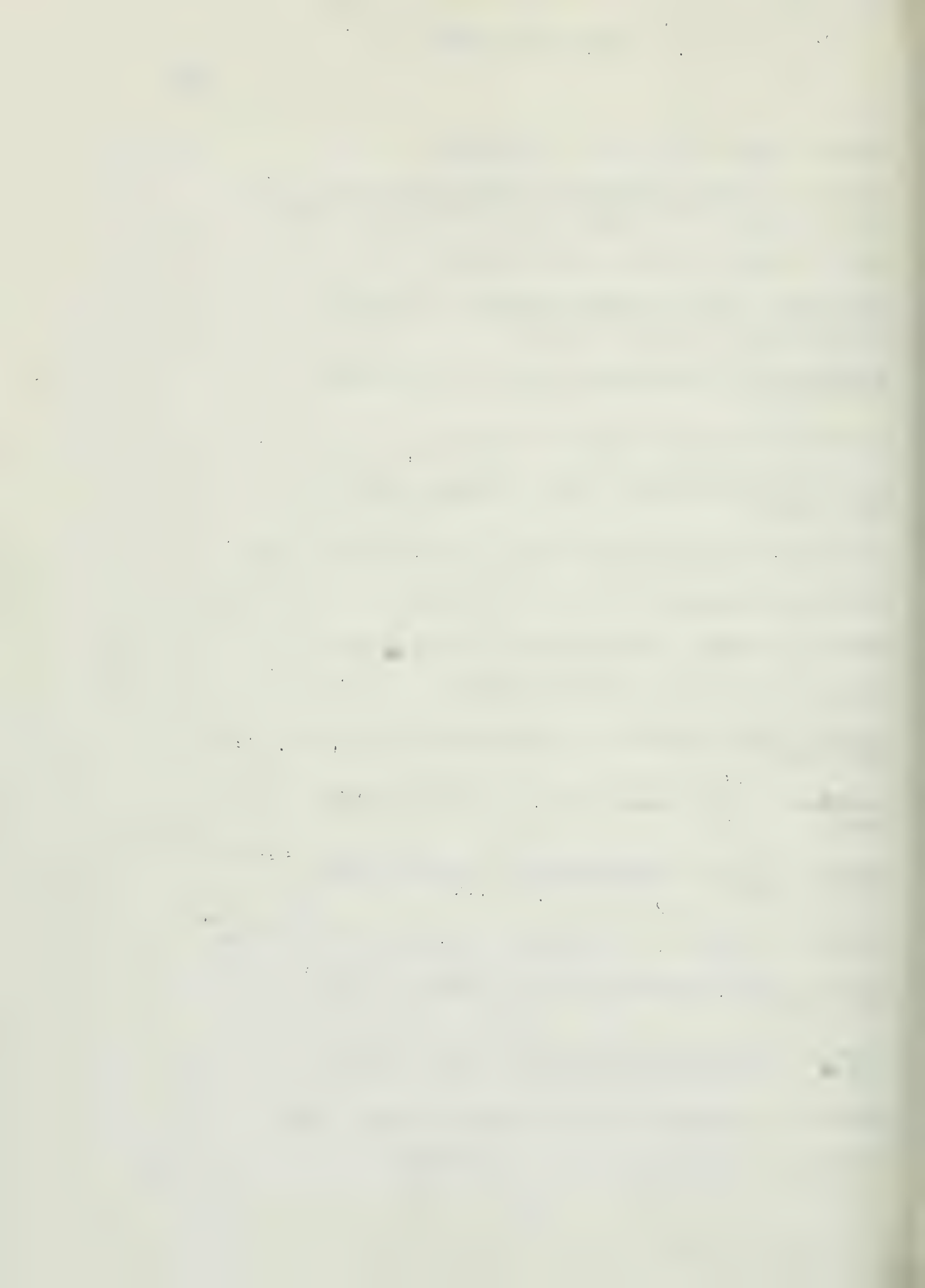


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No. 22052 A-B-C-D-E-F-G

## UNITED STATES COURT OF APPEAL

FOR THE NINTH CIRCUIT

JOHN VAN GELDER, IRVING  
G. ROBERTSON, ALBERT G.  
BEATTIE, and ROBERT O.  
GILMORE, JR., et al.,  
  
Appellants,  
  
vs.  
  
RICHARD A. McGEE, Ad-  
ministrator, LAWRENCE  
E. WILSON, Warden, and  
PEOPLE OF THE STATE OF  
CALIFORNIA, et al.,  
  
Appellees.

The American Civil Liberties Union of Northern California respectfully moves for leave to participate in this matter as amicus curiae. Attorneys for appellants welcome such participation; attorneys for appellees neither welcome nor object to such participation; no objection was raised when the American Civil Liberties Union of Northern California participated in this matter as amicus curiae in the district court.

Amicus is a non-profit organization devoted to the preservation of the liberties and rights guaranteed by the Constitution. The immediate case raises important constitutional questions in a delicate and dynamic field. Additionally, it raises an important



procedural question the resolution of which will affect a great deal of constitutional litigation.

#### STATEMENT OF CASE

Appellants have set forth the facts and posture of this case in their opening brief. No purpose would be served by a reiteration of those facts and amicus therefore incorporates the case and facts as set forth in that document.

#### SUMMARY OF ARGUMENT OF AMICUS CURIAE

The Denial of Plaintiffs' Motion for the Convening of a Three-Judge District Court was Improper.

Plaintiffs are seeking to enjoin the enforcement, operation, and execution of an administrative order of general applicability representing considered state policy. A three-judge court is the only sort of court that has jurisdiction over such a matter. 28 U.S.C. 2281. Marshall v. Sawyer, 201 F. 2d 639, 644 (9th Cir. 1962); Hatfield v. Bailleaux, 290 F. 2d 632 (9th Cir. 1961).

In his order denying the motion to convene a three-judge court, Judge Wollenberg did not question the appropriateness of a three-judge court if the complaint of plaintiffs raised a substantial question of constitutional law. He concluded that it did not, relying upon the standards established in California Water Service Company v. City of Redding, 304 U.S. 252 (1938) and Ex Parte Poresky, 290 U.S. 30 (1933).

That conclusion was erroneous. His action was in effect, a dismissal on the merits. Only a three-judge court is empowered to make such a ruling. Stratton v. St. Louis S.W. Ry., 282 U.S. 10 (1930); Ex Parte Northern Pacific RR, 230 U.S. 142 (1929); Ex Parte





Metropolitan Water Company, 220 U.S. 539 (1911); and see Ganz v. Kirk, 375 F. 2d 728, 729 (1967).

California Water Service and Poresky are not inconsistent with this well-established principle. On the contrary, the court in Poresky noted:

The district judge recognized the rule that if the court was warranted in taking jurisdiction and the case fell within section 266 of the Judicial Code, a single judge was not authorized to dismiss the complaint on the merits, whatever his opinion of the merits might be. Ex Parte Poresky, *Supra* at 31.

The court in Poresky, however, concluded that the district judge had correctly dismissed "for the want of jurisdiction". The court went on to say:

...the provision requiring the presence of a court of three judges necessarily assumes that the district court has jurisdiction. In the absence of diversity of citizenship, it is essential to jurisdiction that a substantial federal question should be presented.

Since a federal judge must dismiss for want of jurisdiction any complaint that raises no substantial constitutional question and lacks any other jurisdictional ground, he can do so whether or not a three-judge court is requested.

In announcing the jurisdictional rules in California Water Service and Poresky the court did not fashion a special rule for cases involving three-judge courts. In California Water Service the court advanced this standard: "The lack of substantiality in a federal question may appear either because it is obviously without merit or because its unsoundness so clearly results from the previous decisions of this court as to foreclose the subject." *Id.*, at 255. The same rule was propounded in Poresky. Ex Parte Poresky, *supra*, at 32. It



was a reiteration of the standards contained in three cases cited by the Court. Levering and Garrigues Co. v. Morrin, 289 U.S. 103 (1933); Hannis Distilling Co. v. Baltimore, 216 U.S. 235 (1910); McGilvra v. Ross, 215 U.S. 70 (1909).

None of those cases involved a request for a three-judge court. None of them involved questions appropriate for a three-judge court. The same jurisdictional rule of "substantial federal question" applies in three-judge or one-judge cases. Cf. Baker v. Carr, 369 U.S. 186 (1962). See Currie, "Three-Judge District Court in Constitutional Litigation." 32 U. Chi. L. Rev. 1; Comment, "The Three-Judge District Court and Appellate Review," 49 Va. L. Rev. 538, 558-564 (1963).

In Bell v. Hood, 327 U.S. 678 (1946), the United States Supreme Court explained what the "substantial federal question" rule means:

Jurisdiction, therefore, is not defeated as respondents seem to contend, by the possibility that the averments might fail to state a cause of action on which petitioners could actually recover. For it is well-settled that the failure to state a proper cause of action calls for a judgment on the merits and not for a dismissal for want of jurisdiction. Whether the complaint states a cause of action on which relief could be granted is a question of law and just as issues of fact it must be decided after and not before the court has assumed jurisdiction over the controversy. If the court does later exercise jurisdiction to determine that the allegations in the complaint do not state a ground for relief, then dismissal of the case would be on the merits, not for want of jurisdiction...

\* \* \* \*

Respondents' contention does not show that petitioners' cause is insubstantial or frivolous, and the complaint does in fact raise serious questions, both of law and fact, which the district court can decide only after it has assumed jurisdiction over the controversy...

\* \* \* \*





[T]he right of the petitioners to recover under their complaint will be sustained if the constitutional laws of the United States are given one construction and will be defeated if they are given another. For this reason the district court has jurisdiction. id 682-684.

The Bell criteria for dismissal on the grounds of a lack of substantial federal question have consistently and recently been followed by the United States Supreme Court, see, e.g., Wheeldin v. Wheeler, 373 U.S. 647, 649 (1963) and Baker v. Carr, 369 U.S. 186, 199 (1962), (reversing a three-judge court's determination that it lacked jurisdiction), and this Court, see, e.g., Miller v. County of Los Angeles, 341 F. 2d 964 (9th Cir. 1965); Hicks v. City of Los Angeles, 240 F. 2d 495, 497 (9th Cir. 1957); Lowe v. Manhattan Beach City School District, 222 F. 2d 258, (9th Cir. 1955).

When this rule of substantiality as limned in Bell is applied to the instant action it becomes abundantly clear that the decision of the District Court was erroneous. There is no recent United States Supreme Court decision that controls this litigation. The last "access to the courts" decision rendered by the United States Supreme Court was Ex Parte Hull, 312 U.S. 546 (1941). In that case the court extended the notion of "access to the courts" to sustain the petitioners' challenge of a prison regulation. Its only relevance to the immediate action is that it buttresses the claim of plaintiffs. In order to find that a federal question raised by a complaint is insubstantial because of a recent ruling of the United States Supreme Court, that ruling must clearly foreclose the claim of the plaintiffs. The prior decision must be on all fours, it must settle once and for all the constitutional questions raised in the complaint. See



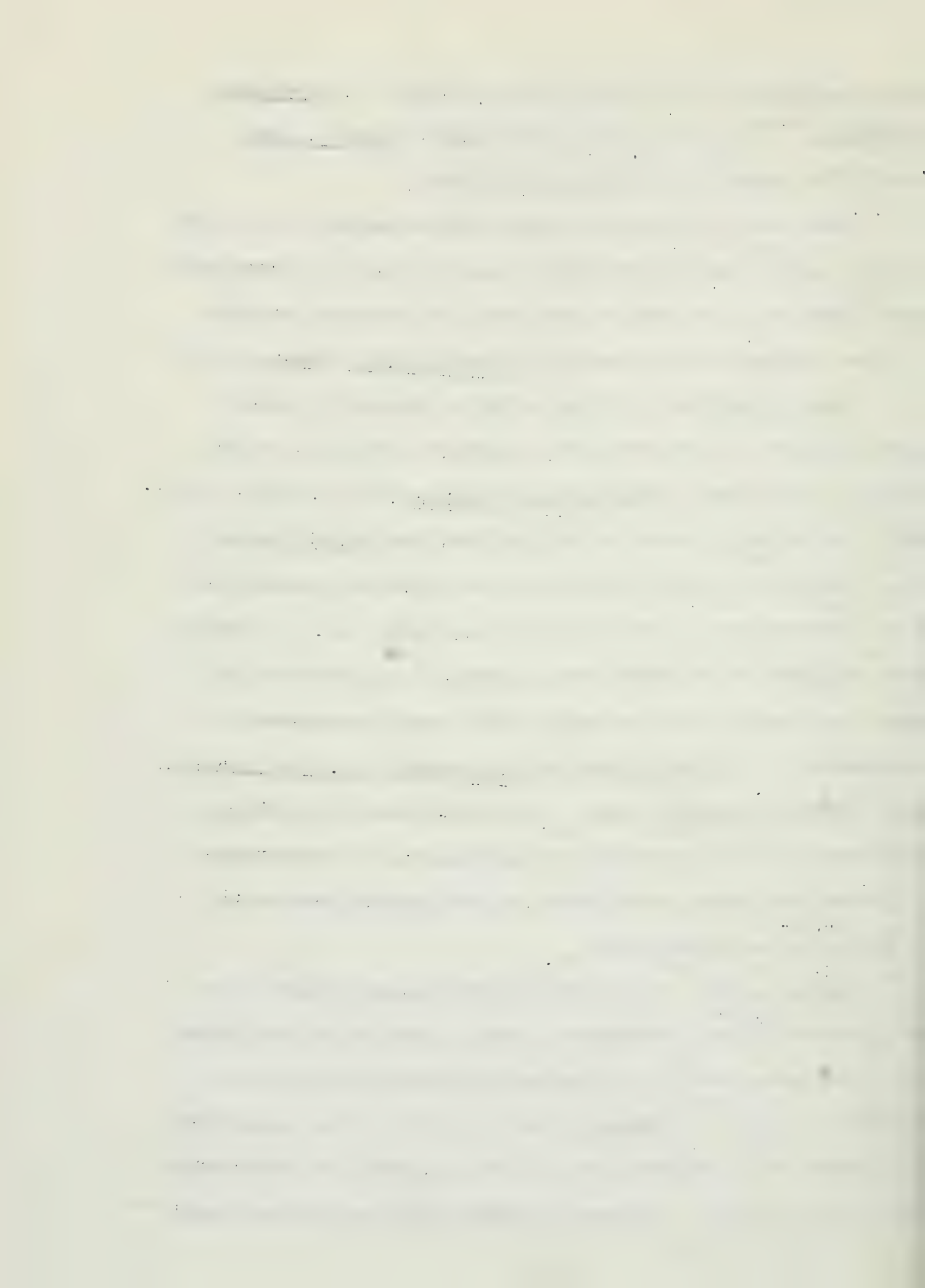


Stamler v. Willis, 371 F. 2d 413 (7th Cir. 1966); cf. Dombrowski v. Eastland, \_\_\_U.S.\_\_\_, 18 L. Ed. 2d 577 (1967); Baker v. Carr, 369 U.S. 186, especially at 199, 202-204 (1962).

This case, then, does not come under the rubric of the first criterion used to exclude complaints because of lack of a substantial Federal question. Nor does it come under the remaining criterion, it is not "obviously without merit," Ex Parte Poresky, Supra, at 32.

Judge Wollenberg's conclusion that a substantial federal question had not been presented was undoubtedly influenced by the decision of this Court in Hatfield v. Bailleaux, 290 F. 2d 632 (9 Cir. 1961). Initially, it should be observed that the Hatfield ruling is not the sort of "recent" ruling that can foreclose consideration of the constitutional issues raised by the plaintiffs. It is only recent decisions of the United States Supreme Court which can, in themselves, result in the conclusion that a question presented is insubstantial. California Water Service Company v. City of Redding, supra; Ex Parte Porefsky, supra. This rule makes especially good sense where the questions raised are appropriate for determination by a three-judge court, since review in such cases is directly to the United States Supreme Court.

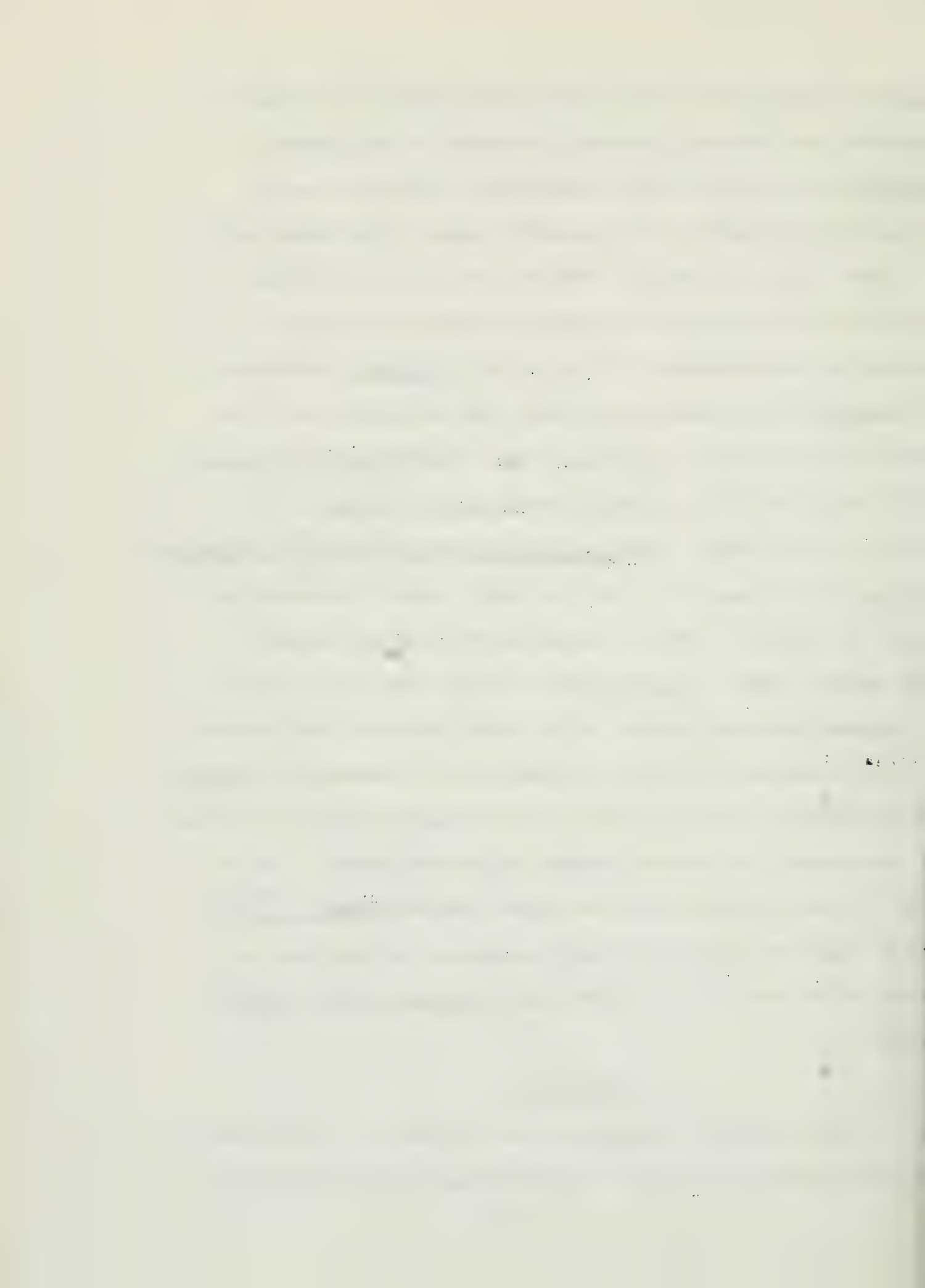
Hatfield, then, for purposes of determining whether or not the plaintiffs raised a substantial federal question, is significant only to the extent that it is a persuasive authority against the plaintiffs' claim. But Hatfield does not stand for the proposition that regulations of law book use can never interfere with reasonable access to the courts. The court in Hatfield reviewed the particular



regulations there under attack and concluded that they did not interfere with reasonable access by prisoners to the courts. Hatfield implicitly holds that regulations of law book use by prisoners can interfere with reasonable access to the courts and this Court explicitly stated: "Whether or not in a particular case the access afforded is reasonable depends on all of the surrounding circumstances." Id, at p. 637. Hatfield, therefore, is consistent with other cases holding that the regulation of law book use may violate due process of law. United States v. Mayberry, 225 F. Supp. 752 (E.D. Pa. 1963) and see Gaito v. Prasse, 312 F. 2d 169 ( 3 Cir. 1963); Barone v. Warden, Manhattan House of Detention for Men, 209 F. Supp. 309 (S.D. N.Y. 1962); Note, "Constitutional Rights of Prisoners: The Developing Law," 110 U. Pa. Law Rev. 985, 992-995 (1962). Hatfield does not even hint that the constitutional challenge brought in the federal district court should have been dismissed for want of jurisdiction. Additionally, Hatfield is predicated on the theory that a prison regulation with the purpose of discouraging "cell-house lawyers" is entirely proper. Id, at 639. A contrary decision in the recent case of Johnson v. Avery, 252 F. Supp. 783 (N.D. Tenn. 1966) underscores the fact that the matter is at least "open to discussion", McGilvra v. Ross, Supra at 80.

#### CONCLUSION

Since plaintiffs allege that the complained-of regulations interfere with their access to the courts and since it cannot be



said that such a complaint is frivolous or that the constitutional question it raises are not even open to debate, the order of the District Court should be reversed.

Respectfully submitted,

MARSHALL W. KRAUSE

PAUL N. HALVONIK

September 12, 1967

By \_\_\_\_\_  
(Paul N. Halvonik)  
Attorneys for Amicus Curiae

CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

\_\_\_\_\_  
Paul N. Halvonik





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STATE OF CALIFORNIA )  
 ) ss.  
CITY AND COUNTY OF SAN FRANCISCO)

I am a citizen of the United States and a resident of the City and County aforesaid; I am over the age of 18 years and not a party to the within action; my business address is 5013 Market Street, San Francisco, California 94105.

On September 12, 1967, I served the within Brief of American Civil Liberties Union of Northern California, Amicus Curiae, on the Appellees in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Francisco, California, addressed as follows:

Thomas C. Lynch  
Attorney General of the State of California  
Library and Courts Building  
Sacramento, California 95814

John E. Wahl, Esq.  
1255 Post Street, Suite 1128  
San Francisco, California 94109

I certify under penalty of perjury that the foregoing is true and correct.

Dated at San Francisco, California September 12, 1967.

(Shirley A. Dye)



UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

JOHN HENRY HICKS,

Appellant,

vs.

No. 22054

LOUIS S. NELSON, Warden,  
California State Prison,  
San Quentin, California,

Appellee.

APPELLEE'S BRIEF

THOMAS C. LYNCH, Attorney General  
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UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

JOHN HENRY HICKS,	)	
	)	
Appellant,	)	
	)	
vs.	)	No. 22054
	)	
LOUIS S. NELSON, Warden,	)	
California State Prison,	)	
San Quentin, California,	)	
	)	
Appellee.	)	
_____	)	

APPELLEE'S BRIEF

JURISDICTION

The jurisdiction of the United States District Court to entertain appellant's petition for a writ of habeas corpus was conferred by Title 28, United States Code, section 2241. The jurisdiction of this Court to review the denial of the writ is conferred by Title 28, United States Code, section 2253, which makes a final order in a habeas corpus proceeding reviewable in the Court of Appeals when a certificate of probable cause has issued.

STATEMENT OF PROCEEDINGS

This is an appeal from an order dated May 4, 1967, by the Honorable Oliver J. Carter, United States District Judge for the Northern District of California, dismissing a petition for writ of habeas corpus filed by appellant.



(RT 27-29). The proceedings in the state and federal courts from which this appeal derives are as follows:

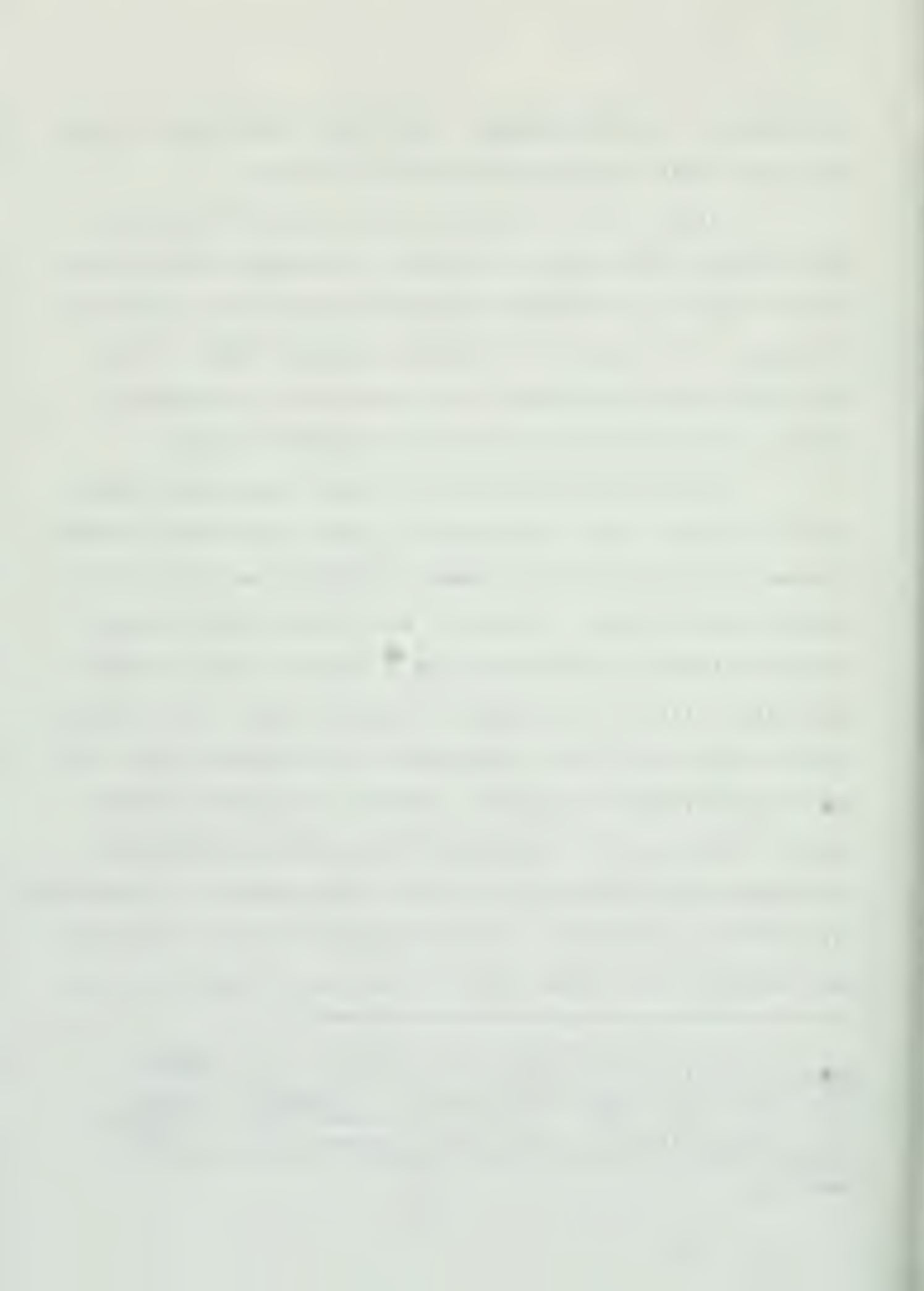
After a trial by jury in Los Angeles County, in which he was represented by counsel, appellant was convicted of two counts of violating California Penal Code section 459 (burglary), two counts of violating section 288(a) of the Penal Code (sex perversion), and one count of violating section 286 of the Penal Code (crime against nature).

The established facts of record underlying these convictions are that on February 21, 1963, appellant entered a house with the intent to commit a felony, and while there, using threats to her life and to the lives of her parents, committed three sex offenses upon a fourteen year old girl. Four nights later, on February 25, 1963, again breaking into the same home, appellant proceeded to the bedroom which the girl had previously occupied. However, the girl's father who was occupying her bedroom as a precautionary measure, frightened appellant away, so that he was unable to accomplish his felonious intention.<sup>1/</sup> The burglaries of which appellant was convicted were found to be of the first degree, and the

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1. The facts of record are set forth in People v. Hicks, 63 Cal.2d 764 (1965), 48 Cal.Reptr. 139, 408 P.2d 747, and in the unpublished opinion of People v. Hicks, Crim. No. 9398, April 26, 1965, attached hereto as Exhibit "A". The decision by the Court of Appeal was of course vacated when the Supreme Court granted the petition for hearing.

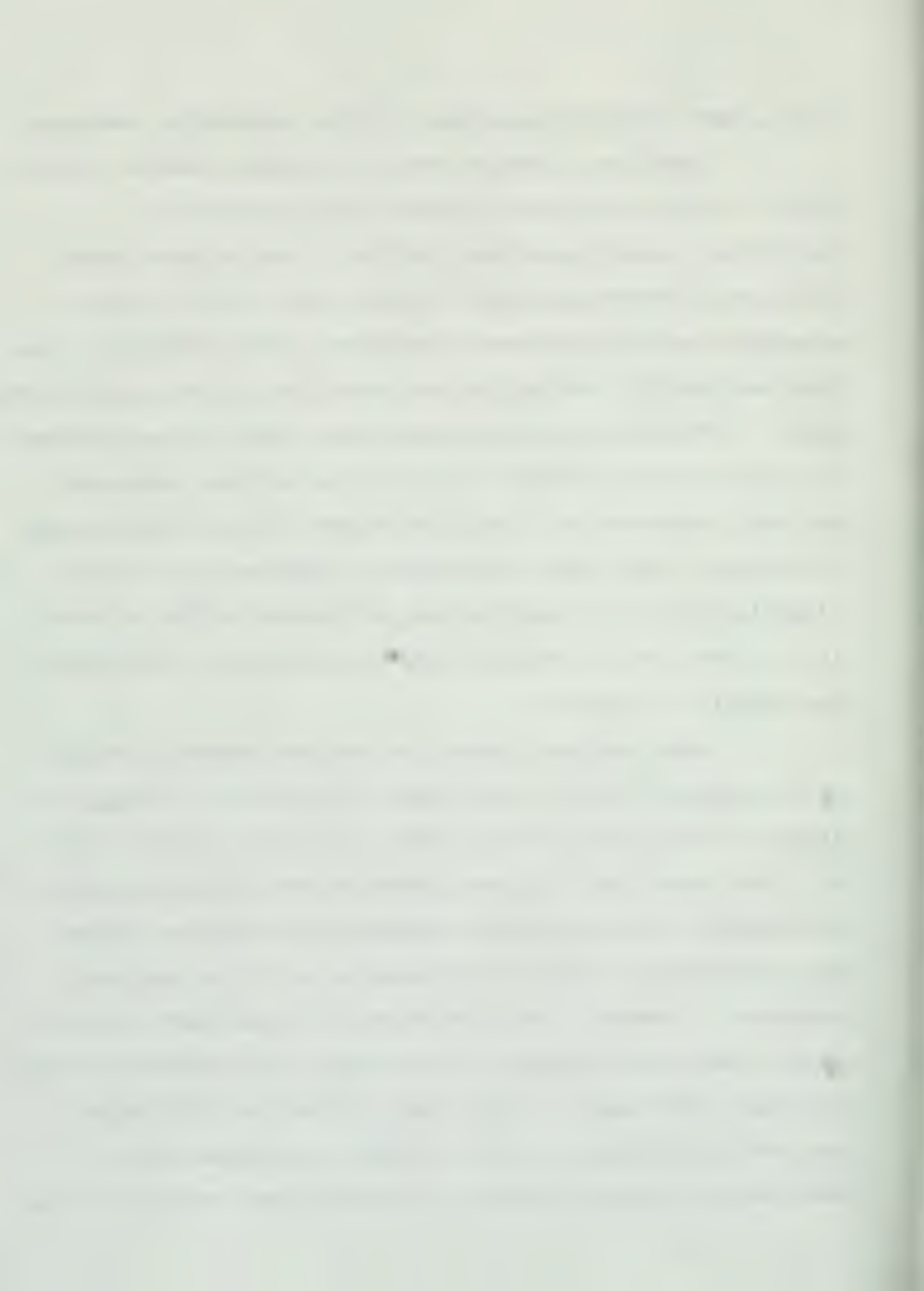




trial court sentenced appellant to five consecutive sentences.

Appellant appealed from the judgment entered against him to the District Court of Appeal for the State of California, Second Appellate District. The District Court of Appeal affirmed appellant's convictions, but held that appellant had been improperly sentenced under California Penal Code section 654 prohibiting the imposition of multiple punishments. The Court ruled that appellant could not be sentenced for the three sex offenses for which he had been convicted, but that sentences could only be imposed for the two burglary convictions. The court also ruled in pertinent part that: "Appellant does not question the sufficiency of the evidence. It is clear that the evidence amply sustains the convictions." See Exhibit "A", page 2.

Appellant petitioned for and was granted a hearing by the Supreme Court of California. That court, in People v. Hicks, 63 Cal.2d 764, 48 Cal. Repr. 139, 408 P.2d 747 (1965), held that under the California statute prohibiting multiple punishment, five consecutive sentences could not be imposed upon appellant for the five offenses of which he had been convicted. However, the Court ruled that appellant properly should have been sentenced for the three sex convictions which occurred on February 21, 1963, and for the burglary which occurred on February 25, 1963. Thus, the Supreme Court reversed the judgment insofar as sentence was imposed for the

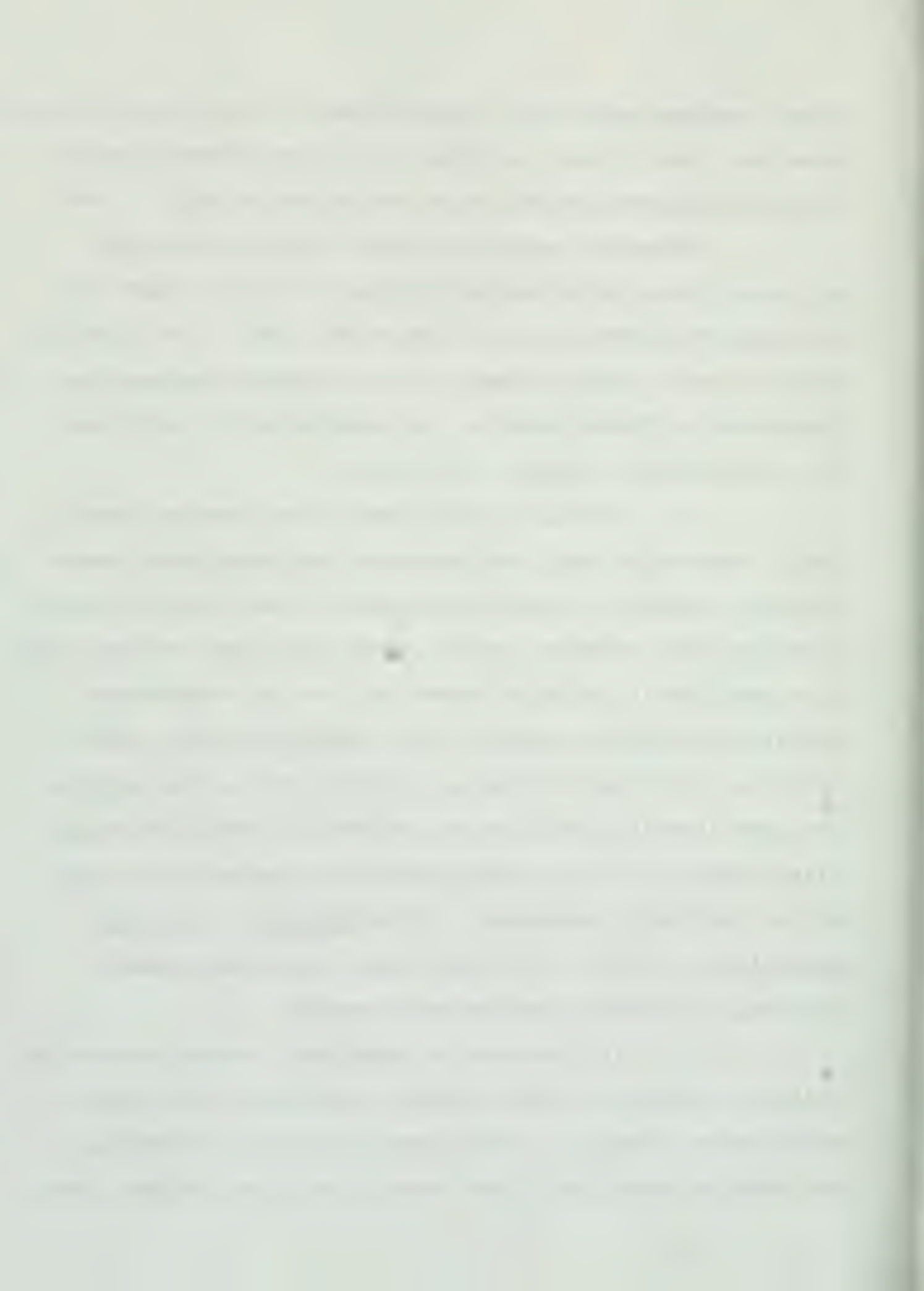


first burglary conviction, and affirmed it in all other respects. Appellant later filed a petition for habeas corpus with the California Supreme Court, which was denied on July 6, 1966.

Thereafter appellant filed a petition for writ of habeas corpus with the United States District Court for the Northern District of California (RT 1-26). The District Court on May 4, 1967, issued its order permitting appellant to proceed in forma pauperis, but dismissing his petition for the following reasons (RT 27-28):

(1.) First, the court held, that despite appellant's contention that his conviction was based upon insufficient evidence, his petition showed on the face of it that there was some evidence for his conviction, and that the most that appellant's petition showed was that an evidentiary conflict was decided against him. Accordingly, the court held that there was no showing from the face of the petition that appellant's conviction was so totally devoid of evidentiary support as to be invalid under the due process clause of the Fourteenth Amendment, citing Thompson v. City of Louisville, 362 U.S. 199 (1959), and that without such a showing, no federal question was presented.

(2.) With respect to appellant's second contention that the prosecution had committed misconduct by failing to corroborate evidence elicited from prosecution witnesses, the district court held that there is no constitutional duty





to corroborate the testimony of an eye witness who was not an accomplice, and that therefore there was no constitutional merit to appellant's charge in this respect. Thus, the court held, that while the prosecution had the duty not to misrepresent evidence or to engage in deliberate concealment or nondisclosure of material evidence, there was no duty on the State to corroborate evidence in the absence of a statutory command.

(3.) Finally, the Court held that, despite appellant's allegations that he had had inadequate counsel during the course of his appeal in the California state courts, appellant had failed to allege sufficient facts to bring him within the purview of Brubaker v. Dickson, 310 F.2d 30, 32 (9th Cir. 1962). On the contrary, the court noted that an examination of the state appellate record as established by the decision of the Supreme Court in People v. Hicks, supra, showed that in fact the conduct of counsel on appeal was not frivolous. For these reasons, therefore, the court denied appellant's petition.

On June 2, 1967, appellant filed a motion for reconsideration (CT 29-36, 37-42), which was denied by the district court on June 13, 1967 (RT 43). Appellant then filed an application for a certificate of probable cause and for leave to appeal in forma pauperis (RT 44-62). Although appellant's application was not timely filed, the district





court, on July 5, 1967, excused the lack of timeliness and ordered that a certificate of probable cause issue (RT 64-65). Accordingly, this appeal follows.

The question involved in this appeal is: whether the district court properly dismissed appellant's petition for writ of habeas corpus.

### ARGUMENT

#### I.

THERE IS NO MERIT IN APPELLANT'S CONTENTION THAT HE IS ENTITLED TO HABEAS CORPUS RELIEF, AND ACCORDINGLY, THE DISTRICT COURT PROPERLY DISMISSED APPELLANT'S PETITION.

There is no merit whatsoever in any of the contentions urged by appellant as a basis for affording him federal habeas corpus relief, and accordingly the district court properly dismissed his petition for writ of habeas corpus. At the outset, it should be noted that appellant does not renew here the contention raised below that his conviction was based upon insufficient evidence. Similarly, he does not urge here again that the State failed to corroborate testimony of a prosecution witness. Indeed, in view of the clear case authority holding that neither of these grounds constitutes a basis for habeas corpus relief, it is clear that neither of these contentions could be

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# THEORY

The theory of the present work is based on the assumption that the system is in a state of equilibrium. The system is assumed to be in a state of equilibrium, and the theory is based on the assumption that the system is in a state of equilibrium.

## CONCLUSION

The conclusion of the present work is that the system is in a state of equilibrium. The system is assumed to be in a state of equilibrium, and the theory is based on the assumption that the system is in a state of equilibrium.

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1. J. D. Jackson, *Classical Electrodynamics*, 3rd ed., Wiley, New York, 1998.  
2. L. D. Landau and E. M. Lifshitz, *Classical Electrodynamics*, 3rd ed., Butterworths, London, 1960.

## APPENDIX

The appendix contains the details of the calculations. The appendix contains the details of the calculations. The appendix contains the details of the calculations.

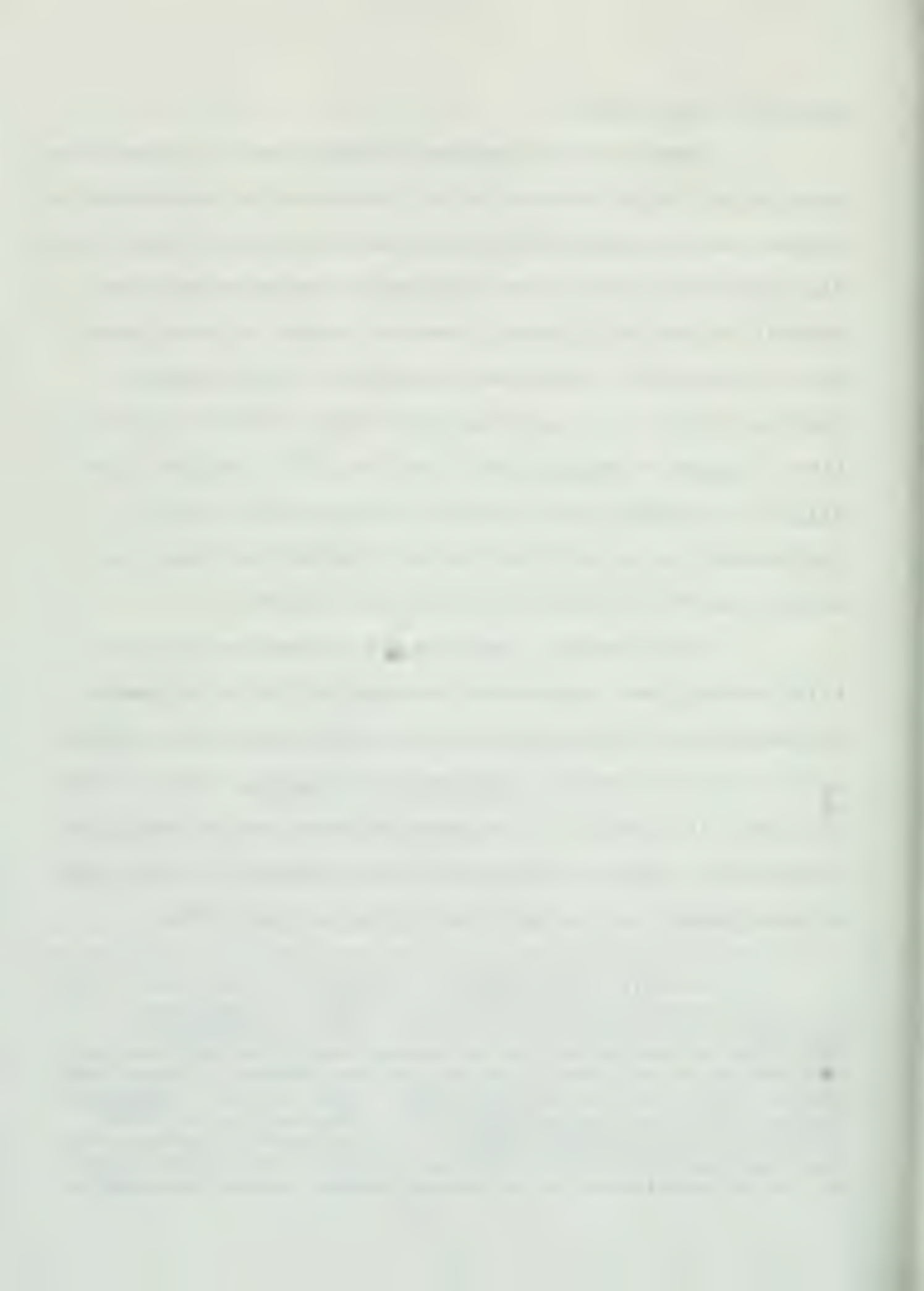
properly raised here. <sup>2/</sup>

Appellant does contend however that his conviction must be set aside because he was inadequately represented by counsel at the appellate level as well as at the trial level. His contention that he had ineffective representation of counsel at the trial level, however, cannot be considered here, since never having been presented to the federal district court it is a contention raised here for the first time. Hughes v. Wilson, 365 F.2d 596, 597 (9th Cir. 1966), Miller v. Gladden, 341 F.2d 972, 975 (9th Cir. 1965). Furthermore, appellant has failed to establish that this matter was ever presented to the state courts.

In any event, appellant's contention that his trial counsel was incompetent because he failed to raise the defense of intoxication is so conclusionary and general as to be without merit. Dalrymple v. Wilson, 366 F.2d 183, 185 (9th Cir. 1966). It is urged without particularity as to whether it would have been a valid defense, if true, and without regard to the fact that intoxication, while a

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2. See e.g., Fernandez v. Klinger, 346 F.2d 210 (9th Cir. 1965), cert. denied, 382 U.S. 895; and Martinez v. Patterson, 371 F.2d 815 (10th Cir. 1966), holding that it is only when a conviction is so totally devoid of evidentiary support as to be invalid under the due process clause, that habeas corpus relief is warranted. And, see also Wampler v. Warden, Maryland Penitentiary, 224 F.Supp. 37, 40 (D.Md. 1963), holding that the failure of the state to corroborate the testimony of a witness is an evidentiary matter which is not to be considered in a federal habeas corpus proceeding.





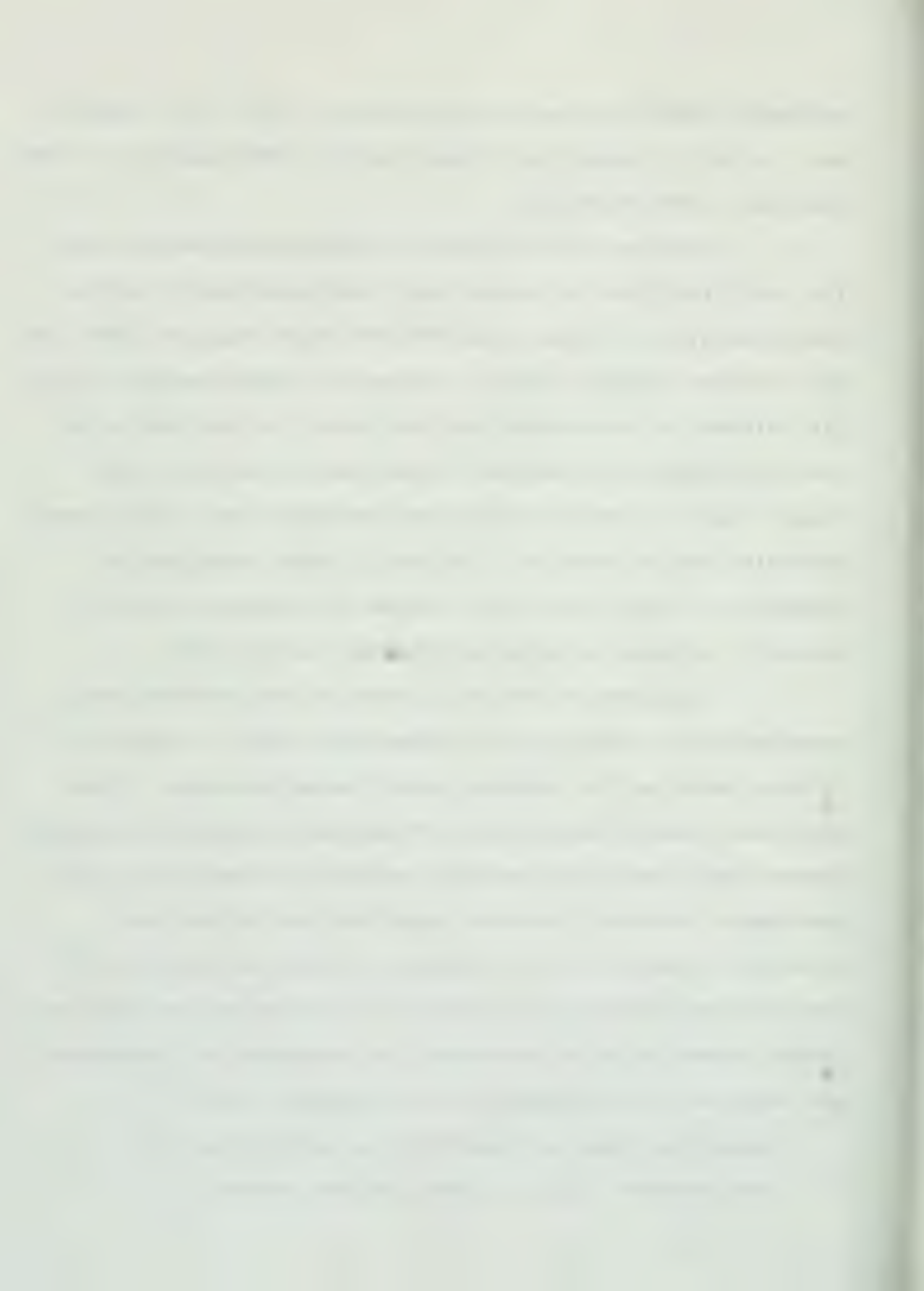
relevant factor in determining purpose, motive, or intent is not, in and of itself, an excuse for the commission of a crime. See Calif. Pen. Code § 22.

Moreover, the defense of intoxication raised here for the first time is inconsistent with appellant's earlier sworn denials of having committed the first burglary when the sex offenses occurred (RT 9), and only a supplemental part of his defense to the second burglary, when, in explanation of how his fingerprints had been found inside the house, he stated that his presence there was requested by a young woman beckoning him to come in. (RT 8-9). Thus, appellant's attempt to "fault" his trial counsel for having failed to present a defense of intoxication must be rejected.

Appellant's contention that he was ineffectively represented by counsel at the appellate level, is equally without merit as the district court below concluded. Thus appellate counsel succeeded in reversing a sentence improperly imposed upon appellant contrary to the California multiple punishment statute. Although appellant criticizes his appellate counsel now for failing to raise the question of insufficient evidence to sustain his conviction, we think the simple answer to this contention is contained in a statement set forth by the California Court of Appeal that:

"Appellant does not question the sufficiency of the evidence. It is clear that the evidence





amply sustains the conviction."

In the face of that conclusion by the court, it is clear that appellate counsel did the best that he could under the circumstances.

Finally, appellant argues that it is unconstitutional for Penal Code section 654 prohibiting multiple punishment and Pen. Code § 671 declaring the term of sentence to be life when a maximum term of sentence is not otherwise set forth, to be construed "so as to foreclose appellant from attacking the validity of his conviction." AOB 6.

We must confess that we do not understand appellant's argument in this respect. We can only note that there is nothing in either of these code sections or any other, which requires appellant or any other prisoner to serve an invalid sentence.

We respectfully submit therefore, that since the contentions raised by appellant are totally without merit, appellant is not entitled to habeas corpus relief, and that the district court properly dismissed his petition for writ of habeas corpus.

#### CONCLUSION

For the reasons set forth above, we respectfully submit that the order of the district court must therefore

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be affirmed.

DATED: October 10, 1967

THOMAS C. LYNCH, Attorney General  
of the State of California

DERALD E. GRANBERG  
Deputy Attorney General

*Louise H. Renne*

LOUISE H. RENNE (Mrs.)  
Deputy Attorney General

Attorneys for Appellee

LHR:lp  
24 CRSF  
67-693



CERTIFICATE OF COUNSEL

I certify that in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit and that, in my opinion, this brief is in full compliance with these rules.

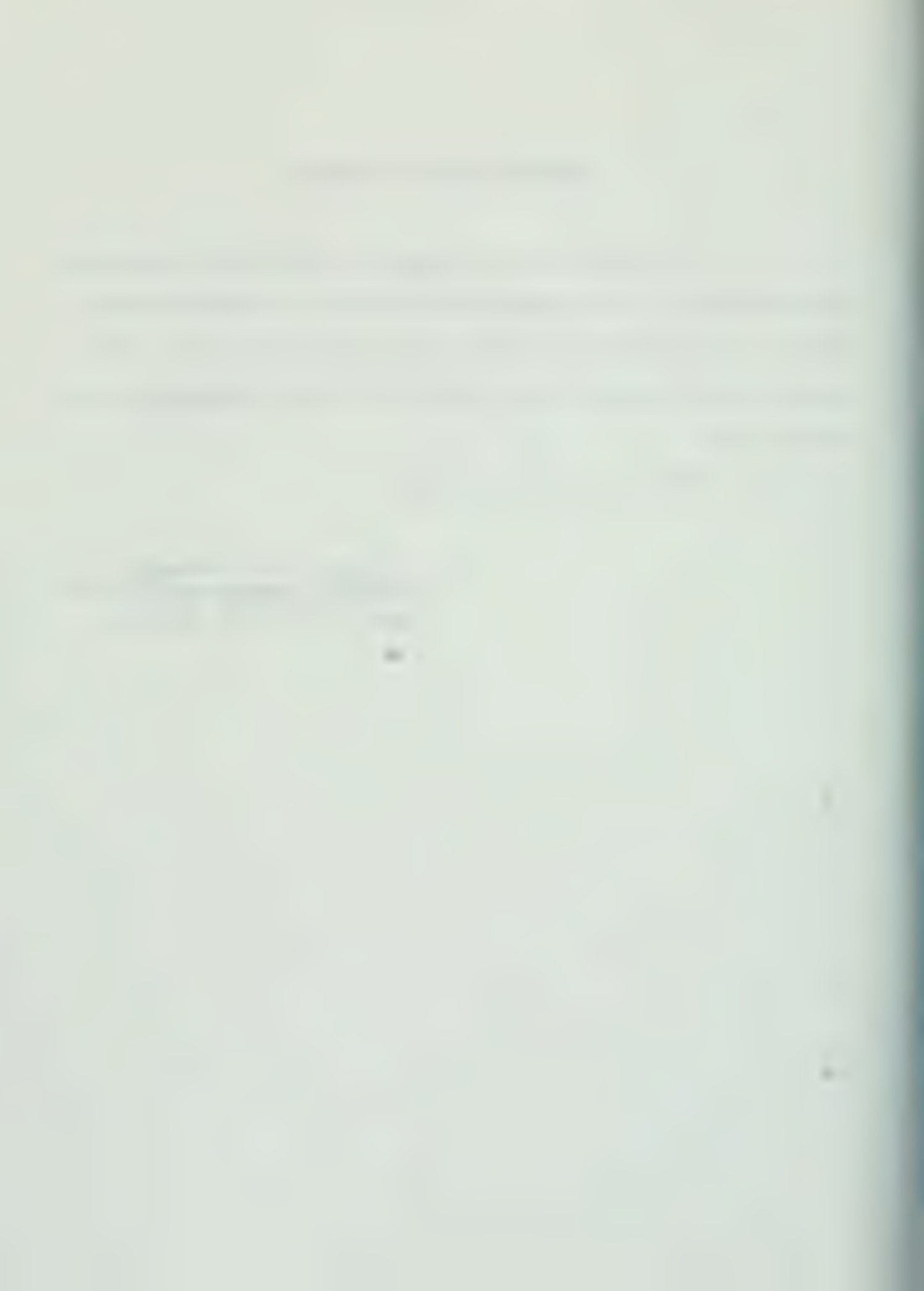
DATED: October 10, 1967

*Louise H. Renne*

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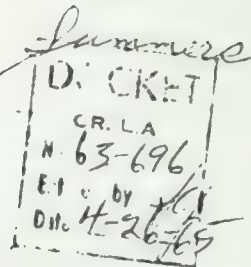
LOUISE H. RENNE (Mrs.)  
Deputy Attorney General





EXHIBIT

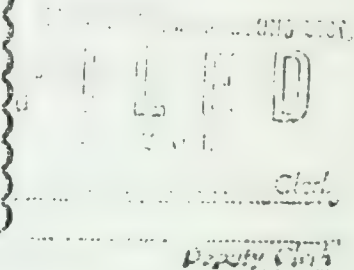




IN THE DISTRICT COURT OF APPEAL OF THE STATE OF CALIFORNIA  
SECOND APPELLATE DISTRICT  
DIVISION TWO

THE PEOPLE OF THE STATE OF CALIFORNIA,  
Plaintiff and Respondent,  
vs.  
JOHN HENRY HIGGS,  
Defendant and Appellant.

Crim. No. 9398

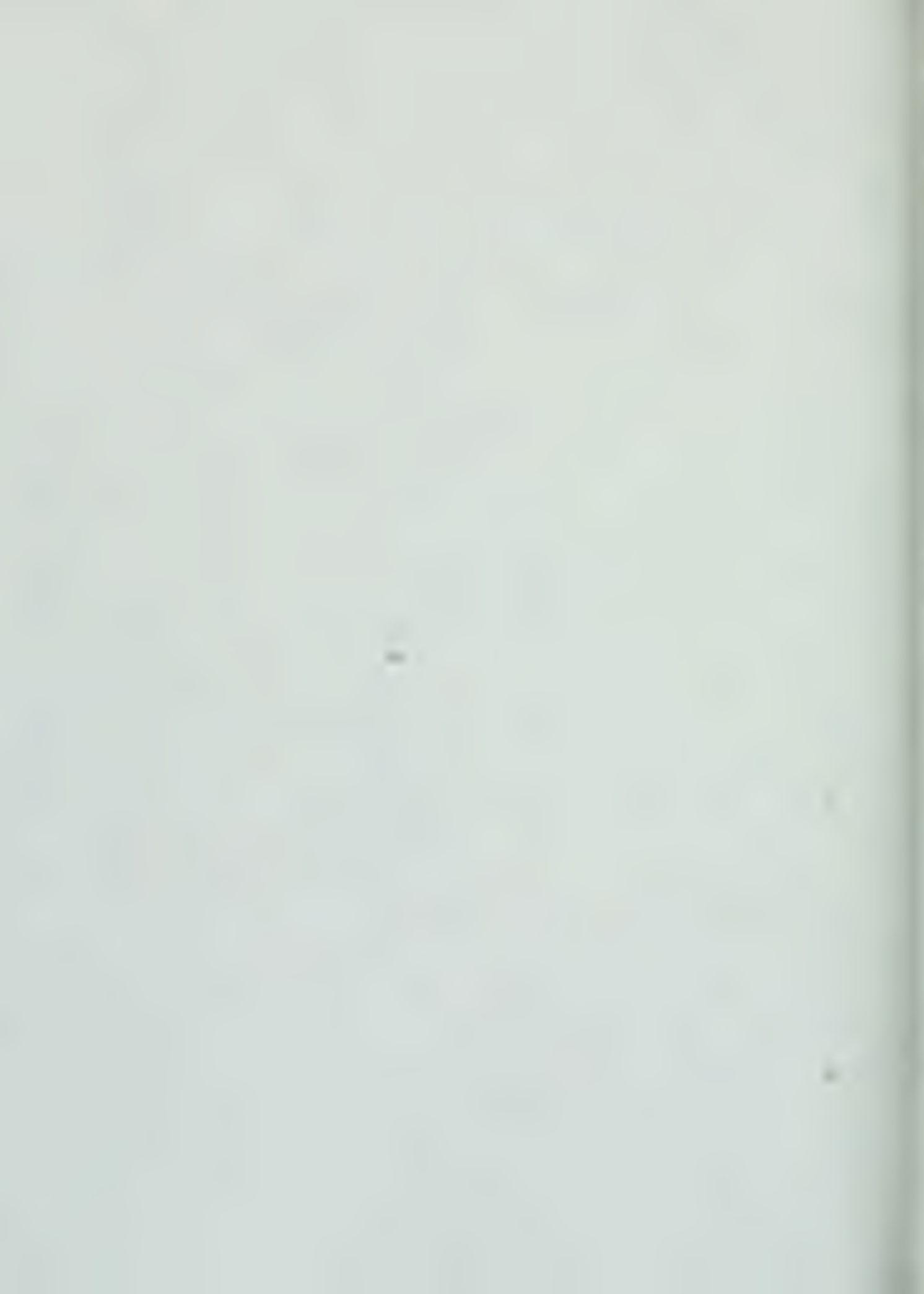


APPEAL from the judgment of the Superior Court of  
Los Angeles County. Joseph L. Call, Judge. Affirmed in  
part and reversed in part.

For Appellant: Grant E. Propper\*

For Respondent: Thomas C. Lynch, Attorney General;  
William E. James, Assistant Attorney General; Anthony M.  
Summers, Deputy Attorney General.

In the early morning hours of February 21, 1963,  
appellant broke into a house in the City of Los Angeles  
and, using threats to her life and to the lives of her  
parents, committed two violations of Penal Code, § 288a,  
and one violation of Penal Code, § 286, upon a 14 year  
old girl. Four nights later, brecking through an  
\* By appointment of the District Court of Appeal.



unoccupied bedroom window, appellant entered the same house and proceeded to the bedroom previously occupied by the girl. The girl's father, who was then occupying her bedroom as a precautionary measure, frightened appellant away.

An information filed against appellant as a result of these acts charged five counts: Count I, burglary (February 21); Count II and Count III, violation of Penal Code, § 238a; Count IV, violation of Penal Code, § 236; and Count V, burglary (February 25). A jury returned a verdict of guilty on all five counts and the trial court sentenced appellant to five consecutive sentences. Appellant appeals from the judgment.

Appellant does not question the sufficiency of the evidence. It is clear that the evidence amply sustains the convictions.

Appellant contends and respondent agrees that the trial court erred in pronouncing consecutive sentences on the first four counts in violation of Penal Code, § 654.<sup>1.</sup>

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1. Section 654, Penal Code, provides:

"An act or omission which is made punishable in different ways by different provisions of this Code may be punished under either of such provisions, but in no case can it be punished under more than one; \* \* \*."



the following table, which is a summary of the results of the experiments conducted by the author, it will be seen that the results are in general in accordance with the above statement.

The following table shows the results of the experiments conducted by the author, and it will be seen that the results are in general in accordance with the above statement.

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Respondent suggests, however, that the sentences on those counts which warrant the greater punishment should be sustained. (Neal v. California, 55 Cal. 2d 11.) Respondent's position is that if the burglary charged in Count I is not punished, then the three sex offenses may be separately punished since each was a separate act (citing People v. Slobodion, 31 Cal. 2d 555) and consecutive sentences as to the three sex offenses would be proper.

In People v. Gay, 230 A.C.A. 108, on facts similar to those at bench, the defendant was sentenced to concurrent sentences on each of five counts. The court said at p. 111: "Burglary and the crime whose intended commission rendered the entry burglarious cannot be separately punished \* \* \*. Defendant probably could be sentenced for each of the three distinct sex offenses (see People v. Slobodion, 31 Cal. 2d 555, 561-563 [191 P. 2d 1.]) But he cannot be sentenced both for these offenses and for the burglary.

"We must affirm imposition of sentence upon the offense subject to the greatest punishment (People v. McFarland, supra, 58 Cal. 2d 748, 762). \* \* \* The maximum punishment for each of the \* \* \* four offenses is life imprisonment, but the minimum terms vary. We may look to the minima in determining which offense is



more serious \* \* \*. Burglary carries a term of 'not less than five years.' [Penal Code, § 461.] The three sex offenses are punishable by imprisonment of not less than three years (Pen. Code, § 238a; \* \* \*), and not less than one year (Pen. Code, § 236):"

Respondent, by conceding that the imposition of punishment for both the burglary and the sex offenses was improper, admits under the theory of Neal v. California, supra, 55 Cal. 2d 11, that the sex offenses were not acts divisible from the burglary charged in Count I. It might be arguable under the reasoning in People v. Slobodion, supra, 31 Cal. 2d 555 (cited with approval in Neal) that the sex crimes here involved were divisible acts but the facts here, as already pointed out, are substantially similar to those in Gay, supra, and in respect thereof the court in Gay said at p. 111: "Defendant's purpose in entering the home was charged and found to be the commission of sex offenses."

However, we are not required to decide whether the sex offenses are separate. The minimum sentence for first degree burglary, not less than five years, is greater than the minimum sentence for any of the sex offenses.

Neal, supra, at pp. 18-19 states: "The proscription of section 654 against multiple punishment of a single act, however, is not limited to necessarily included



offenses. (*People v. Logan*, 41 Cal. 2d 279, 290 [260 P. 2d 20]; *People v. Knowles*, 35 Cal. 2d 175, 187 [217 P. 2d 1]; *People v. Kneatte*, 15 Cal. 2d 731, 761-762 [104 P. 2d 794]; accord: *People v. Rappola*, 280 App. Div. 735, 281 App. Div. 679 [117 N.Y. S. 2d 283, 288], affirmed 305 N.Y. 740 [113 N.E. 2d 421]; *People v. Savarosa*, 1 Misc. 2d 305 [114 N.Y. S. 2d 816, 835-836]; see *People v. Snyder*, 241 N. Y. 81, 83 [148 N. E. 796] [interpreting N.Y. Pen. Code, § 1938, which is identical with Cal. Pen. Code, § 654].) In *People v. Knowles*, 35 Cal. 2d 175, 187 [217 P. 2d 1], we stated: 'If a course of criminal conduct causes the commission of more than one offense, each of which can be committed without committing any other, the applicability of section 654 will depend upon whether a separate and distinct act can be established as the basis of each conviction, or whether a single act has been so committed that more than one statute has been violated. If only a single act is charged as the basis of the multiple convictions, only one conviction can be affirmed, notwithstanding that the offenses are not necessarily included offenses. It is the singleness of the act and not of the offense that is determinative.' Thus the act of placing a bomb into an automobile to kill the owner may form the basis for





a conviction of attempted murder, or assault with intent to kill, or malicious use of explosives. Insofar as only a single act is charged as the basis for the conviction, however, the defendant can be punished only once. (People v. Lynette, 15 Cal. 2d 731, 762 [104 P. 2d 794].) Likewise, the act of using an instrument to cause an abortion which results in death can be punished for abortion or for murder in the second degree but not for both. (People v. Brown, 49 Cal. 2d 577, 590-594 [320 P. 2d 5].)

"Few if any crimes, however, are the result of a single physical act. 'Section 654 has been applied not only where there was but one "act" in the ordinary sense . . . but also where a course of conduct violated more than one statute and the problem was whether it comprised a divisible transaction which could be punished under more than one statute within the meaning of section 654.' (People v. Brown, supra, 591.)"

"Whether a course of criminal conduct is divisible and therefore gives rise to more than one act within the meaning of section 654 depends on the intent and objective of the actor. If all of the offenses were incident to one objective, the defendant may be punished for any one of such offenses but not for more than one."

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The judgment is reversed insofar as it imposes consecutive sentences or any sentence for Counts II, III and IV of the information. In all other respects the judgment is affirmed.

ROTH, P.J.

I concur:

INMAN, J.

I concur, on the ground that the evidence shows that the three sex offenses were not divisible acts but rather were phases in one continuing sexual assault for which only one punishment could be given. (People v. McFarland, 58 Cal. 2d 748, 760-763.) Since the burglary sentence carries a more severe punishment than the punishment for any one of the sex offenses, it is the sentence we sustain for defendant's criminal conduct on February 21.

FLEMING, J.



IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

DENNIS C. DEYO,

Appellant,

vs.

UNITED STATES OF AMERICA,

Appellee.

---

APPELLEE'S BRIEF

---

APPEAL FROM  
THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

---

WM. MATTHEW BYRNE, JR.,

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ROBERT L. BROSIO,

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FILED

OCT 25 1967

Of Counsel

AM B LUCK CLERK





IN THE UNITED STATES COURT OF APPEALS  
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DENNIS C. DEYO,

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IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

DENNIS C. DEYO,

Appellant,

vs.

UNITED STATES OF AMERICA,

Appellee.

---

APPELLEE'S BRIEF

---

STATEMENT OF JURISDICTION

This is a timely <sup>1/</sup> appeal from a judgment of conviction after trial without a jury for violation of the Drug Abuse Control Amendments of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 331(q)(2) and (3) and 21 U.S.C. 333(a).

Pursuant to 18 U.S.C. 3231, the District Court had jurisdiction to try this case.

---

<sup>1/</sup> The Criminal Information charges the defendant with violation of 21 U.S.C. 331(q)(2) and (3) and 21 U.S.C. 333(a). (V. 1, pp. 2-4). On May 18, 1967, the trial Court announced its oral judgment of conviction. (V. 2, p. 15). On June 20, 1967, a written judgment was filed. (V. 1, p. 36). On June 21, 1967, appellant Deyo filed a notice of appeal. (V. 1, p. 38).



Under 28 U.S.C. 1291 and 1294, this Court has jurisdiction to review the judgment of the District Court.

### STATEMENT OF THE CASE

The four-count Information charged appellant Deyo and his codefendant, Millet, with the sale, delivery, and possession of the hallucinogenic drug LSD in violation of the Federal Food, Drug, and Cosmetic Act, as amended (V. 1, pp. 2-5). Deyo is specifically charged with two counts of sale and delivery (V. 1, pp. 2 and 4) and one count of possession (V. 1, p. 3).

Deyo <sup>2/</sup> waived trial by jury (V. 1, p. 9) and was tried by the Court on May 18, 1967, on the following stipulated facts (V. 1, pp. 28-29):

1. On December 1, 1966, Rex D. Millet and Dennis C. Deyo, defendants in the above-entitled case, met in Palm Springs, California, in Riverside County, within the Central District of California, with Jay H. Park, an employee of the Federal Food and Drug Administration, Bureau of Drug Abuse Control, acting as an undercover agent.
2. That at that time, defendant Millet, in the presence of defendant Deyo, told Agent Park that they would sell him 30 capsules of LSD for \$80.

---

<sup>2/</sup> Defendant Millet was tried separately and convicted on all counts in which he was charged (V. 1, pp. 27 and 34). Millet did not appeal.



3. That defendant Deyo then handed Agent Park a box

which subsequent chemical analysis determined to contain, and which defendant Deyo knew to contain, 30 capsules of LSD, and for which Agent Park handed \$80 to defendant Deyo.

4. On December 2, 1966, Agent Park again met with

defendants Millet and Deyo at the Vista Del Sol Motel in Palm Springs, within Riverside County in the Central District of California.

5. At that time, in the presence of Agent Park and

defendant Deyo, defendant Millet spread some capsules out on a bed, after Agent Park asked him whether they had brought the 70 capsules of LSD.

6. Agent Park counted out 70 capsules, and then handed

\$170.00 to defendant Deyo.

7. Defendant Deyo then handed part of the purchase

money to defendant Millet.

8. These 70 capsules contained, and defendant Deyo

knew them to contain, LSD.

9. Said LSD sold on both above dates is a "depressant

or stimulant drug" within the meaning of 21 U.S.C. 321(v)(3) and 31 F.R. 4679.

No additional evidence was offered at the trial (V. 2, pp.

7-8). Counsel for Deyo then argued that the statute under which

this case arose was unconstitutional (V. 2, pp. 8-15). The District

Court ruled that the statute is within the power of Congress and

found Deyo guilty as charged in Counts One, Two, and Three (V. 2,





pp. 15-16).

On June 20, 1967, the Court sentenced Deyo to imprisonment for a period of nine months on each count, to run concurrently, on condition that Deyo serve 45 days, with the remainder of the sentence suspended for a three-year probationary period on certain specified conditions (V. 1, p. 36).

On June 21, 1967, Deyo filed a Notice of Appeal (V. 1, p. 38). On July 3, 1967, the District Court set bail for Deyo pending appeal in the amount of \$2500 and granted Deyo's motion to appeal in forma pauperis (V. 1, p. 45).

#### RELEVANT STATUTES AND REGULATIONS

##### 21 U. S. C. 333                      Penalties - Violation of Section 331 of this title

- (a) Any person who violates any of the provisions of Section 331 of this title shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than one year, or a fine of not more than \$1,000, or both such imprisonment and fine . . .

##### 21 U. S. C. 331                      Prohibited acts

The following acts and the causing thereof are hereby prohibited:

\* \* \*

- (q) . . . (2) the sale, delivery, or other disposition of a drug in violation of Section 360a(b) of this



title; (3) the possession of a drug in violation  
of Section 360a(c) of this title; . . . .

21 U.S.C. 360a            Depressant and stimulant drugs . . .

\*   \*   \*

Sale, delivery, and disposal; persons exempt from  
prohibition

- (b)      No person . . . shall sell, deliver, or otherwise  
dispose of any depressant or stimulant drug to  
any other person.

Possession restriction; burden of proof in criminal  
prosecutions

- (c)      No person . . . shall possess any depressant or  
stimulant drug otherwise than (1) for the personal  
use of himself or of a member of his household,  
or (2) for administration to an animal owned by  
him or a member of his household. In any criminal  
prosecution for possession of a depressant or  
stimulant drug in violation of this subsection  
(which is made a prohibited act by Section 331(q)(3)  
of this title), the United States shall have the  
burden of proof that the possession involved does  
not come within the exceptions contained in  
clauses (1) and (2) of the preceding sentence.

21 U.S.C. 321            Definitions; generally

For the purposes of this chapter --

\*   \*   \*



(v) The term "depressant or stimulant drug" means --

\* \* \*

- (3) Any drug which contains any quantity of a substance which the Secretary, after investigation, has found to have, and by regulation designates as having, a potential for abuse because of its depressant or stimulant effect on the central nervous system or its hallucinogenic effect; ....

### REGULATIONS

21 C. F. R. 166. 3      Listing of drugs defined in Section 201(v) of the Act [21 U. S. C 321(v) I:

\* \* \*

- (c) The Commissioner has investigated and designates all drugs, unless exempted by regulations in this part, containing any amount of the following substances as having a potential for abuse because of their:

\* \* \*

- (3) Hallucinogenic effect:

<u>Established name</u>	<u>Some trade and other names</u>
-------------------------	---------------------------------------

\* \* \*





LSD-25; LSD . . . . . d-Lysergic acid diethyl-  
amide.

### ARGUMENT

A. THE FEDERAL FOOD, DRUG, AND  
COSMETIC ACT HAS BEEN REVISED  
FREQUENTLY TO ENHANCE ITS  
EFFECTIVENESS AS AN INSTRUMENT  
OF PUBLIC PROTECTION.

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The Federal Food, Drug, and Cosmetic Act was enacted in 1938 as a comprehensive statute to safeguard the public from food, drugs, devices, and cosmetics that are adulterated, misbranded, or otherwise pose a threat to the consumer. United States v. Dotterweich, 320 U.S. 277, 280 (1943); United States v. Sullivan, 332 U.S. 689, 696 (1948); United States v. Walsh, 331 U.S. 432, 437 (1947); United States v. El-O-Pathic Pharmacy, 192 F.2d 62, 74-75 (C.A. 9, 1951); Drown v. United States, 198 F.2d 999, 1004 (C.A. 9, 1952), cert. denied 344 U.S. 920; Golden Grain Macaroni Co. v. United States, 209 F.2d 166, 168 (C.A. 9, 1953).

Since 1938, Congress has enacted a number of amendments to this law, fashioned to cope with special problems as they have arisen and become acute beyond the effective reach of the basic statute. Some examples of problems requiring amendatory legislation are excessive residues of pesticide chemicals on foods, United States v. Bodine Produce Co., Inc., 206 F. Supp. 201, 206-207 (D. Arizona, 1962), and the premature marketing of "new drugs" without adequate testing for safety and effectiveness, Turkel v.



Food and Drug Administration, 334 F.2d 844, 845 (C.A. 6, 1964), cert. denied 379 U.S. 990. The amendments devised new types of controls as needed to deal with the problem at hand.

The present case arose under the Drug Abuse Control Amendments of 1965 (79 Stat. 226-236). These amendments are concerned with a limited class of drugs as defined in 21 U.S.C. 321(v), namely, drugs which (1) are dangerous and lend themselves to widespread and serious misuse throughout the nation, (2) flow freely through, pollute, and otherwise affect, the channels of interstate commerce, and (3) are distributed surreptitiously without labels or other characteristics that would identify their manufacturing source so that there is a commingling of drugs of interstate and intrastate origin, thereby frustrating the Congressional purpose to regulate interstate traffic in such drugs.

A prior amendment enacted in 1951 (68 Stat. 648 ff ) to deal with dangerous drugs had focused primarily upon unsavory dispensing practices of some pharmacists, United States v. Carlisle, 234 F.2d 196 (C.A. 5, 1956), cert. denied 352 U.S. 841, but had shown itself to be cumbersome and unwieldy in the face of widespread clandestine distribution of tremendous quantities of dangerous drugs outside the drugstore. De Freese v. United States, 270 F.2d 730, 731-2, 735-8 (C.A. 5, 1959), cert. denied 362 U.S. 944; Roseman and Copley v. United States, 364 F.2d 18, 20-24 (C.A. 9, 1966), cert. denied 386 U.S. 918.

The Roseman and Copley case, supra, decided by this Court last year, arose under the pre-existing statute and illustrates well



some of the compelling reasons for enactment of the Drug Abuse Control Amendments. The drug in question was LSD as in the present case. It was sold in liquid form and as the Court observed at page 21:

"When it was delivered to Pilson it did not have any label on it nor any warnings as to use, any common name, any statement of the ingredients or composition, nor any of the other markings required by the Federal Food, Drug, and Cosmetic Act. . . ."

In fact, as pointed out by the Court on page 20, there was no dispute that the defendants had sold LSD which would be in violation of the statute if it could be shown that the drug had been introduced into interstate channels.

The principal defense in Roseman was that the LSD was made in California and had never left the state. The protracted trial revolved largely around this one issue. Defendants were convicted and the conviction sustained because evidence was adduced showing that the defendants had made their way through California to Canada and back to California with concentrated LSD in their possession, offering it for sale as they went up and down the coast, and organizing an LSD party in Canada where one participant was injured. This evidence was sufficient to meet the requirements of interstate commerce under the basic statute (page 20). After conducting the prolonged trial in Roseman and observing the great expense and difficulty entailed in establishing movement of an unlabeled dangerous drug in interstate commerce, Chief Judge





Harris felt obliged to state: 3/

" ... I think there is a very grave responsibility upon the part of the Food and Drug authorities to make appropriate recommendations to such congressional committees as may be involved with respect to appropriate legislation in connection with this type of drug as in connection with kindred types of drugs. "

Unquestionably, Judge Harris was concerned about the inadequacy of the basic statute to control effectively the growing menace of LSD and similar dangerous drugs. On January 27, 1965, the Commissioner of Food and Drugs transmitted the views of Judge Harris to a Congressional committee that was deeply immersed in this problem (Hearings before the Committee on Interstate and Foreign Commerce, House of Representatives, 89th Cong., 1st Sess. on H. R. 2), stating in part on page 23:

"In sentencing the defendants, Judge Harris remarked that the Food and Drug authorities should recommend legislation appropriate to deal with these types of drugs to interested congressional committees. "

Six months later, the Drug Abuse Control Amendments were enacted.

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3/ (C.A. 9, No. 19636, V. 9, pp. 1100-1101). We believe the Court may take judicial notice of its own records in another case. See United States v. Pink, 315 U.S. 203, 216 (1942); National Fire Insurance Co. v. Thompson, 281 U.S. 331, 336 (1930); Wiley v. United States, 144 F.2d 707, 708 (C.A. 9, 1944).



B. THE PATTERN AND SCOPE OF THE  
DRUG ABUSE CONTROL AMENDMENTS  
OF 1965.

---

For a decade and a half, 1950-1965, Congressional committees inquired into the expanding nationwide problem of drug abuse and the inadequacy of the then existing laws to control it. The Drug Abuse Control Amendments of 1965 are the end result of that study. Some of the Congressional findings are summarized in Senate Report No. 337 published in United States Code Congressional and Administrative News, 1965, pages 1895-1909. For example, at page 1896 the Report states:

"At the hearings last year, testimony showed that over nine billion barbiturate and amphetamine tablets are produced annually in the United States. It is estimated that over 50 percent, or 4 1/2 billion tablets, are distributed through illicit channels.

"The human toll of drug abuse cannot be measured for it affects not only the abuser but his family and the community around him. Drug abuse is closely bound up with juvenile delinquency. It also contributes to the rising crime rate in the United States. Misuse of these drugs has contributed to the rising accidents on the highways.

"The illegal traffic in drugs is enormously profitable. Barbiturates and amphetamines having a retail value of approximately \$670 sell in illicit



channels for in excess of \$250,000. "

Specifically with respect to LSD, the Report states at page 1898:

"Hallucinogens are drugs which affect the central nervous system in such a fashion as to cause the user to have a distorted sense of reality. The most prominent of the hallucinogenic drugs being abused today is d-lysergic acid diethylamide, more commonly referred to as LSD-25. This drug is sometimes used as an adjunct to psychotherapy and as a research tool in psychiatry. Its use by amateurs and drug abusers can cause some terrifying experiences for the victims. It is capable of producing prolonged psychiatric reactions in persons possessing a previous underlying personality problem, and can precipitate the acting out of anti-social-behavior patterns."

On page 1896, the Report declares the purpose of this legislation:

"The bill provides increased controls over the distribution of barbiturates, amphetamines, and other drugs having a similar effect on the central nervous system. The controls are accomplished through increased recordkeeping and inspection requirements, through providing for control over intrastate traffic in these drugs because of its effect on interstate traffic, and through making possession





of these drugs (other than by the user) illegal outside of the legitimate channels of commerce. "

The term "depressant or stimulant drug" is defined to include amphetamines and barbiturates, and, through implementing regulations, such drugs as LSD. [21 U. S. C. 321(v)(1) - (3); 21 C. F. R. 166.3(c)(3)]. The sale, delivery, and possession of these drugs (other than for personal use) is prohibited. [21 U. S. C. 360a(b) and (c); 21 U. S. C. 331(q)(2) and (3)]. Exceptions are made where the drugs are legitimate articles of commerce or research <sup>4/</sup> and are confined to the legitimate chain of distribution. [21 U. S. C. 360a(1) - (c) ].

As the result of its extensive investigations into the drug abuse problem, Congress concluded that, to regulate interstate traffic in these drugs, it was essential to control closely related intrastate activities. The reasons for this conclusion are set forth in Congressional Findings and Declaration of Policy which appear as Section 2 of the Amendments, Public Law 89-74, 79 Stat. 226.

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<sup>4/</sup> LSD is a "new drug" which may not be distributed commercially until a New Drug Application establishing its safety and effectiveness has been approved by the Food and Drug Administration. [21 U. S. C. 355(a); 21 U. S. C. 360a(b)]. There is no approved NDA for LSD. See Roseman and Copley v. United States, 364 F.2d 18, 20 and 24 (C. A. 9, 1966), cert. denied 386 U.S. 918. A "new drug" for which there is no approved NDA may be distributed for investigational use under strict controls. [21 U. S. C. 355(i); 21 C. F. R. 130.3]. Especially tight controls have been established to govern any research in LSD, requiring advance approval of the Commissioner of Food and Drugs because of the great hazards involved. [21 C. F. R. 3.47; see also preamble to this regulation in 31 F. R. 9540].



These Findings and Declaration are also quoted in 21 U.S.C.A. in the Notes following Section 360a, page 121 of the 1966 Cumulative Annual Pocket Part:

"The Congress hereby finds and declares that there is a widespread illicit traffic in depressant and simulant drugs moving in or otherwise affecting interstate commerce; that the use of such drugs, when not under the supervision of a licensed practitioner, often endangers safety on the highways (without distinction of interstate and intrastate traffic thereon) and otherwise has become a threat to the public health and safety, making additional regulation of such drugs necessary regardless of the intrastate or interstate origin of such drugs; that in order to make regulation and protection of interstate commerce in such drugs effective, regulation of intrastate commerce is also necessary because, among other things, such drugs, when held for illicit sale, often do not bear labeling showing their place of origin and because in the form in which they are so held or in which they are consumed a determination of their place of origin is often extremely difficult or impossible; and that regulation of interstate commerce without the regulation of intrastate commerce in such drugs, as provided in this Act, would discriminate against and adversely affect interstate commerce in such drugs."



As enacted, the Drug Abuse Control Amendments do not require the Government to prove that the "depressant or stimulant drug" involved in a particular forbidden transaction <sup>5/</sup> had previously been transported from another State or a foreign country. This is the basis for appellant's argument that the statute as amended is unconstitutional.

C. THE DRUG ABUSE CONTROL AMENDMENTS ARE CLEARLY WITHIN THE CONSTITUTIONAL POWER OF CONGRESS TO REGULATE INTERSTATE COMMERCE.

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Appellant attacks the constitutionality of important amendments to the Federal Food, Drug, and Cosmetic Act, without citing the long line of Supreme Court cases that have a direct bearing on this issue. These cases sustain the power of Congress to regulate local activities which substantially affect its plenary control over interstate commerce:

Heart of Atlanta Motel, Inc. v. United States,

379 U.S. 241, 251-258 (1964);

Katzenbach v. McClung,

379 U.S. 294, 299-304 (1964);

Wickard v. Filburn,

317 U.S. 111, 118-128 (1942);

---

<sup>5/</sup> Such drug is subject to seizure and condemnation. [21 U.S.C. 334(a)(2)]. Persons responsible for the doing of prohibited acts with respect to such drug are subject to injunction and criminal action. [21 U.S.C. 331(q), 332(a), and 333(a)].





Bethlehem Steel Co. v. New York State Labor

Relations Board, 330 U.S. 767, 772 (1947);

United States v. Haley,

358 U.S. 644 (1958), reversing

166 F. Supp. 336;

United States v. Wrightwood Dairy Co.,

315 U.S. 110, 119-121 (1942);

United States v. Darby,

312 U.S. 100, 119-121 (1941);

United States v. New York Central Railroad Co.,

272 U.S. 457, 464 (1926);

NLRB v. Reliance Fuel Oil Corp.,

371 U.S. 224, 226 (1963).

Thus in United States v. Wrightwood Dairy Co., 315 U.S.

110 (1942), the Court upheld the validity of a Federal regulation controlling the price of milk produced and sold intrastate. On page 119, the Court stated:

"The commerce power is not confined in its exercise to the regulation of commerce among the states. It extends to those activities intrastate which so affect interstate commerce, or the exertion of the power of Congress over it, as to make regulation of them appropriate means to the attainment of a legitimate end, the effective execution of the granted power to regulate interstate commerce. ... The power of Congress over interstate commerce is plenary and



complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution. . . . It follows that no form of state activity can constitutionally thwart the regulatory power granted by the commerce clause to Congress. Hence the reach of that power extends to those intrastate activities which in a substantial way interfere with or obstruct the exercise of the granted power. "

See also Bethlehem Steel Co. v. New York State Labor Relations Board, 330 U.S. 767, 772 (1947).

In Wickard v. Filburn, 317 U.S. 111 (1942), the Court considered the constitutionality of the Agricultural Adjustment Act under the Commerce Clause where the statute "extend[ed] federal regulation to production not intended in any part for commerce but wholly for consumption on the farm" (page 118). In its review of the significant cases up to that time, delineating the "great latitude" of the commerce power (page 120), the Court included a quotation from an opinion of Mr. Justice Holmes (page 122):

" . . . 'commerce among the States is not a technical legal conception, but a practical one, drawn from the course of business. ' " 6/

---

6/ In a later case defining the broad reach of the control of false labeling under the Federal Food, Drug, and Cosmetic Act, the Court again relied upon this concept:

"The Act is not concerned with the purification of the stream of commerce in the abstract. The problem is  
(continued)



After declaring that "the effects of many kinds of intrastate activity upon interstate commerce were such as to make them a proper subject of federal regulation" (page 122), and citing a number of examples, the Court sustained the validity of the statute in these words (pages 128-9):

"... Congress may properly have considered that wheat consumed on the farm where grown, if wholly outside the scheme of regulation, would have a substantial effect in defeating and obstructing its purpose to stimulate trade therein at increased prices."

In United States v. Darby, 312 U.S. 100 (1941), the Court referred to a line of cases upholding the Congressional power where local and interstate activities are interwoven and difficult to identify and separate. On page 121, the Court said:

"A familiar ... exercise of power is the regulation of intrastate transactions which are so commingled with or related to interstate commerce that all must be regulated if the interstate commerce is to be effectively controlled. ... Similarly Congress may require inspection and preventive treatment of all cattle in a disease infected area in order to prevent shipment in interstate commerce of some of the

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6/ (continued) a practical one of consumer protection, not dialectics."

United States v. Urbuteit, 355 U.S. 355, 357-8 (1948).





cattle without the treatment. Thornton v. U. S.,

271 U.S. 414."

These observations are particularly appropriate with respect to drugs dealt with by the Drug Abuse Control Amendments, since they command high profits in illicit channels and move throughout the nation with great mobility but without a label stating where they were made, so that interstate and intrastate dealings in these drugs are inseparably intertwined. See also United States v. New York Central Railroad Co., 272 U.S. 457, 464 (1926).

Nor is it relevant whether a particular local transaction is large or small. In NLRB v. Reliance Fuel Oil Corp., 371 U.S. 224 (1963), the Court observed at page 226:

"Whether or no practices may be deemed by Congress to affect interstate commerce is not to be determined by confining judgment to the quantitative effect of the activities immediately before the Board. Appropriate for judgment is the fact that the immediate situation is representative of many others throughout the country, the total incidence of which if left unchecked may well become far-reaching in its harm to commerce."

See also Wickard v. Filburn, 317 U.S. 111, 127-128 (1942).

Finally, in Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964), where the Court upheld Title II of the Civil Rights Act of 1964, it stated at page 258:

"It is said that the operation of the motel here is of a purely local character. But, assuming



this to be true, 'if it is interstate commerce that feels the pinch, it does not matter how local the operation which applies the squeeze.' . . . "

This is, of course, a landmark case in defining the breadth of the power of Congress to regulate and protect its regulation of interstate commerce.

The principles enunciated in the cases cited above have been applied to sustain the constitutionality of other provisions of the Federal Food, Drug, and Cosmetic Act which regulate intrastate activities. Thus, it is within the constitutional power of Congress under the "Commerce Clause" to prohibit the giving of a false guaranty of assurance (to a person engaged wholly or partly in an interstate business) that a vitamin product is not adulterated or misbranded within the meaning of the Act, regardless of whether that guaranty leads in any particular instance to an illegal shipment in interstate commerce. United States v. Walsh, 331 U. S. 432, 437-438 (1947).

Congress may also regulate the dispensing practices of a retail druggist in a purely intrastate transaction with respect to a drug that had previously been shipped in interstate commerce. United States v. Sullivan, 332 U. S. 689, 691-2 696-8 (1948).

Similarly, Congress may prohibit the holding of food (after interstate shipment and before ultimate sale) under insanitary conditions whereby it may become contaminated with filth. United States v. Wiesenfeld Warehouse Co., 376 U. S. 86, 91-2 (1964).

Congress may further prohibit the intrastate sale and



delivery of a misbranded device where the seller knows that the buyer intends to take the device to another State. Drown v. United States, 198 F.2d 999, 1004 (C.A. 9, 1952), cert. denied 344 U.S. 920.

In each of these cases, it was clear there was a rational basis to conclude that regulation of the particular intrastate activity was essential to prevent obstruction or thwarting or nullification of the Congressional exercise of its constitutional power over interstate commerce. In like manner, the Drug Abuse Control Amendments regulate "intrastate activities which in a substantial way interfere with or obstruct the exercise of the granted power".

United States v. Wrightwood Dairy Co., 315 U.S. 110, 119 (1942).

Through more conventional legislation, Congress has sought to control interstate traffic (1) in "dangerous drugs" [21 U.S.C. 353(b)(1)] that are suitable for bona fide prescription sale, and (2) in unproven "new drugs" [21 U.S.C. 355 and 321(p)] which include certain of the dangerous drugs such as LSD that are not suitable for prescription sale. Such legislation is ineffective to deal with the vast quantities of "depressant and stimulant" drugs [21 U.S.C. 321(v)] that move through the channels of interstate commerce because they carry no indicia of interstate origin so that it is "often extremely difficult or impossible" to establish the element of interstate commerce. [Congressional Findings and Declaration of Policy, quoted supra in Part B of this argument; see also Roseman and Copley v. United States, 364 F.2d 18, 21 (C.A. 9, 1966), cert. denied 386 U.S. 918]. Congress has found in addition that misuse





of these drugs often endangers safety on the highways, without distinction as to interstate and intrastate traffic thereon.

As a last resort, and to prevent frustration of its constitutional power, Congress enacted the Drug Abuse Control Amendments as the only effective way to regulate interstate commerce in drugs of this type which are characterized by an indistinguishable blending of interstate and intrastate activities. Clearly, this is a valid exercise of Congressional power, wholly consonant with the great judicial rulings in constitutional law.

Much of appellant's brief consists of a discussion of cases dealing with narcotics. But those cases are not relevant here since Congress chose a different regulatory pattern in enacting the Drug Abuse Control Amendments. The narcotic laws create rebuttable presumptions regarding interstate commerce. The Amendments in question dispense with any showing of interstate commerce in an individual case.

Appellant's brief suggests that these Amendments are an initial step toward Federal preemption (pages 13-14). This is entirely incorrect. Section 10 of the Amendments unequivocally declares a Congressional intent to the contrary:

"(b) No provision of this Act nor any amendment made by it shall be construed as indicating an intent on the part of Congress to occupy the field in which such provision or amendment operates to the exclusion of any State law on the same subject matter, unless there is a direct and positive conflict



between such provision or amendment and such State law so that the two cannot be reconciled or consistently stand together.

"(c) No amendment made by this Act shall be construed to prevent the enforcement in the Courts of any State of any statute of such State prescribing any criminal penalty for any act made criminal by any such amendment."

[Quoted in 21 U. S. C. A. in the Notes following Section 321, page 73, of the 1966 Cumulative Annual Pocket Part].

Congress in fact contemplated that the States would have an increasing role in the control of this problem. See Senate Report 337, U. S. Code Congressional and Administrative News, 1965, page 1904.



## CONCLUSION

We submit that the judgment of the District Court should be affirmed.

Respectfully submitted,

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CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

/s/ William J. Gargaro, Jr.  
WILLIAM J. GARGARO, JR.



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No. 22,059✓

WM. B. LUCK, CLERK

**United States Court of Appeals  
For the Ninth Circuit**

REIN J. GROEN and WILLIAM A. RICE,  
*Appellants,*

vs.

LUSTIG FOOD CORPORATION, et al.,  
*Appellees.*

**Appeal from the Summary Judgment of the  
United States District Court for the  
Northern District of California  
Honorable Robert F. Peckham, Judge**

**APPELLANTS' OPENING BRIEF**

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FILED

DEC 14 1967

WM. B. LUCK, CLERK



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### **JURISDICTIONAL STATEMENT**

This is an appeal from an Order Granting Motion for Summary Judgment entered on December 30, 1966, in the District Court of the United States for the Northern District of California, declaring United States Letters Patent No. 2,950,203 invalid and granting summary judgment to defendant General Foods Corporation (Clerk's Transcript 36-38). The action originally arose from a complaint for infringement of patent under the patent laws of the United States, and more particularly under 35 U.S.C. 271 and 281. Jurisdiction was conferred on the district court by 28 U.S.C.A. 1338. Plaintiffs filed a timely Notice of Appeal on January 26, 1967 (CT 46), and jurisdiction is conferred upon the U.S. Court of Appeals by 28 U.S.C.A. 1291.

No. 22,059

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**APPELLANTS' OPENING BRIEF**

---

**OPENING STATEMENT**

This appeal arises out of an Order Granting Motion for Summary Judgment against plaintiffs and appellants in an action for infringement of patent.

Letters Patent No. 2,950,203 were issued to appellants on August 23, 1960, relating to the process of quick-freezing raw onions. The claim of the patent is as follows (Clerk's Transcript 5):

“The process of quick-freezing raw onions which comprises sorting the opinions, peeling and trimming the onions to remove unedible and undesirable portions thereof, washing the peeled and trimmed onions, cutting the onions into pieces,

carrying the onion pieces while unconfined through a freezing zone and effecting an individual freezing operation on each onion piece at least as cold as substantially zero degrees F., and then packaging the onion pieces, the entire process being carried out at substantially ambient atmospheric temperatures."

Defendant General Foods Corporation is the only defendant remaining in the case, and is the moving party for the summary judgment. Its motion for summary judgment was predicated upon the following grounds:

- a. Invalidity of the Letters Patent;
- b. Non-infringement by General Foods Corporation.

---

**SUMMARY JUDGMENT IMPROPER ON ISSUE  
OF VALIDITY OF PATENT**

It is a cardinal rule that there is a presumption that every issued patent is valid. (Section 282, Title 35, U.S. Code: "A patent shall be presumed valid.") (See also *H. J. Heinz Company v. Cohn*, 207 F. 547.) Granting of a patent carries with it the presumption of novelty and constitutes prima facie evidence that the patentee is the first inventor of the invention disclosed in the patent. (See Section 282 of Title 35 of U.S. Code.) The burden of proof of want of novelty rests upon him who avers it, and every reasonable doubt should be resolved against him. (*Coffin v. Ogden*, 85 U.S. 120.)

Patents for inventions are to receive a liberal construction. Under the fair application of this rule, patents should, if practicable, be so interpreted as to uphold and not to destroy the right of the inventor. (*Turrill v. Railroad Co.*, 68 U.S. 491.)

Moreover, although Rule 56 authorizes the motion for summary judgment, this is an extreme remedy and proper only where no genuine issue as to a material fact exists and where it is appropriate in order to avoid the expense of trial and the preparation for trial. (*Sequoia Union High School District v. U. D.*, 245 F. 2d 227.) All doubts are to be resolved against the moving party. The material allegations of appellants' complaint must be accepted as true, and they must be given the benefit of the most favorable inferences which reasonably can be drawn therefrom. (*Jeffrey v. Whitworth College*, 128 F. Supp. 219.) Summary judgments should be granted only in cases where it conclusively appears from the record that there is no genuine issue as to a material fact. (*Booth v. Barber Transp. Co.*, 256 F. 2d 927. The appellants in this case respectfully contend that the patent in suit should not have been declared invalid by the Court, that there were issues as to material facts existing in this case, and that the granting of the summary judgment was improper.

The Courts have held that validity of a patent is not an issue rightfully disposed of by summary judgment. The case of *Baker v. First Nat. Stores*, 64 F. Supp. 979 states as follows:



“In the final analysis, what the defendant is really attempting to do is attack the validity of the patent on a motion for summary judgment. Since the Patent Office has granted a patent on this device there is at least some color of patentable invention, and the plaintiff is entitled to his day in court on these issues. Patent validity is an issue not rightly disposed of by summary judgment.”

Further supporting this position is the case of *American Optical Co. v. New Jersey Optical Co.*, 58 F. Supp. 601, at page 605 where it is stated:

“In the usual infringement case where the validity or scope of the patent is in issue the question cannot be decided without the aid of expert testimony and reference to file wrappers and prior art. Such an issue is not rightly disposed of by summary judgment.”

Even assuming that summary judgment was available to challenge the validity of the patent (and there are cases so holding), the appellants respectfully urge that there were questions of material fact which had to be determined, thereby eliminating the availability of summary judgment.

The patent in suit was issued for a process of quick-freezing individual raw onion pieces. Appellee contends the process would have been obvious at the time of the invention to a person having ordinary skill in the art. However, appellants' position is that the uniqueness of their patent exists in (1) the process of individual (2) quick-freezing of (3) raw onion

pieces (4) at substantially ambient temperatures, i.e., without being subjected to any heat or blanching step.

It is this combination of steps which appellants claim as their invention, and which the Patent Examiner found constituted an allowable claim. Although some of the individual steps of the process may have been known to the prior art, the combination of the steps into the patented process was not known to the prior art. (See Motion Ex. B, pp. 41-46.) None of the publications relied upon by appellee deal with the specific process of quick freezing individual raw onion pieces in the manner specified in the patent, and it is significant that all of the publications relied upon by appellee relating to the prior art were before the Patent Examiner when the patent was allowed. (Motion Ex. B, pp. 10 and 38.)

The question of material fact which the Court should have recognized appellants were entitled to have tried was: Is the combination of steps the subject of the claim of U. S. Letters Patent No. 2,950,203 a patentable invention in the light of the state of the prior art and the laws pertaining to patents?

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#### **NON-INFRINGEMENT NOT ESTABLISHED BY APPELLEE**

Although appellee goes to great lengths to describe the process which it employs in Walla Walla, Wash., and Nampa, Idaho, plants, there is no unequivocal denial of infringement of appellants' patented process at any place in the record, with the



exception of the denial in its answer. Moreover, the appellee admits preparing frozen onions at Avon, N.Y. (Clerk's Transcript 62, line 14), but mentions nothing about the process employed there anywhere else in the record. This also raises another issue as to a material fact upon which appellants should have the right of trial.

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### CONCLUSION

Appellants respectfully submit that the granting of summary judgment was improper in this case, and that appellants should have their day in Court on the issues of the case.

Dated, Stockton, California,  
December 1, 1967.

Respectfully submitted,  
CHARLES A. ZELLER,  
*Attorney for Appellants.*

---

### CERTIFICATE OF COUNSEL

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

CHARLES A. ZELLER,  
*Attorney for Appellants.*

No. 22,059

United States Court of Appeals  
For the Ninth Circuit

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REIN J. GROEN and WILLIAM A. RICE,  
*Appellants,*

vs.

LUSTIG FOOD CORPORATION, et al.,  
*Appellees.*

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BRIEF FOR APPELLEE  
GENERAL FOODS CORPORATION

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*General Foods Corporation.*

FILED

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WM B LUCK, CLERK



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No. 22,059

**United States Court of Appeals  
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REIN J. GROEN and WILLIAM A. RICE,  
*Appellants,*

vs.

LUSTIG FOOD CORPORATION, et al.,  
*Appellees.*

---

**BRIEF FOR APPELLEE  
GENERAL FOODS CORPORATION**

---

This is an appeal from an Order Granting Motion for Summary Judgment (R. 36) and holding that the letters patent in suit is invalid for failure of the single claim thereof to meet the conditions for patentability prescribed in 35 U.S.C. §102 and §103.

The action was commenced by the filing of a Complaint (R. 1 et seq.) on February 10, 1964 by Appellants, Groen and Rice, as co-plaintiffs, against Lustig Food Corporation and a host of others, including Appellee, General Foods Corporation, charging infringement of Letters Patent No. 2,950,203, granted to Appellants on August 23, 1960 for Process of Quick-Freezing Raw Onions. Though not a necessary part of the record herein, it should be noted that, effective June 1, 1966, Appellants filed a Dismissal without Prejudice as to all defendants save and except Appellee, General Foods Corporation.



The Complaint, after reciting the grant of the letters patent in suit, charged that the defendants for a long time have been and still are infringing the letters patent by making, selling or using devises (sic "devices") and methods embodying the patented invention, and will continue to do so unless enjoined by the Court (Par. III); alleged written notice of infringement prior to the institution of this action (Par. IV), and prayed a preliminary and final injunction against further infringement, an accounting of profits and damages and costs.

The Answer (R. 7 et seq.) of Appellee, General Foods Corporation, joined issue denying due and legal issuance of the letters patent (Par. II); denied infringement (Par. III); denied receipt of notice of alleged infringement (Par. IV) and pleaded further and affirmative defenses bearing on validity (Pars. VI-VIII) and including the failure of Appellants to meet the conditions for patentability prescribed in 35 U.S.C. §102 and §103 (Par. IX).

On December 23, 1964 the depositions of Appellants, Groen and Rice, were taken on behalf of Appellee, General Foods Corporation, and transcripts thereof were transmitted to this Court as a part of the record on appeal.

Appellants propounded certain interrogatories (R. 53 et seq.) to Appellee, General Foods, on April 23, 1965, and answers (R. 59) thereto were filed June 1, 1965, with a supplemental answer to Interrogatory No. 2 (R. 71) filed on July 28, 1966.

On October 21, 1966 Appellee, General Foods Corporation, filed a Motion for Summary Judgment (R. 13 et

seq.) on the grounds of invalidity because of 35 U.S.C. §103 (obviousness), because of 35 U.S.C. §112 (indefiniteness and failure to distinctly claim) and non-infringement. The Motion was based upon the records and papers on file, the depositions of the Appellants and Motion Exhibits A (a breakdown analysis of the single claim of the patent), B (a certified file history of Letters Patent 2,950,203, the patent in suit) and C (a book of the prior art cited by the Patent Office during prosecution of the letters patent in suit).

Appellants filed an Affidavit in Opposition to Motion for Summary Judgment (R. 31) by its counsel, Charles A. Zeller, dealing with only one factual aspect relating to the issue of infringement (see the last paragraph thereof) and this was traversed by an affidavit (R. 34) of Jas. M. Naylor on behalf of Appellee, General Foods Corporation.

On December 30, 1966 the District Court made and entered its Order Granting Motion for Summary Judgment (R. 36). Notice of this appeal followed (R. 46).

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### **JURISDICTION**

This suit arose under the Patent Laws of the United States (35 U.S.C. §281) and was brought pursuant to 28 U.S.C. §1400(b). Jurisdiction to review the Order of the District Court is conferred by 28 U.S.C. §1291. The Order appealed from had the effect of dismissal of the Complaint and was, therefore, a final judgment within the provisions of Rule 54(b) F.R.C.P. and the rules of this Court.

### STATEMENT OF THE CASE

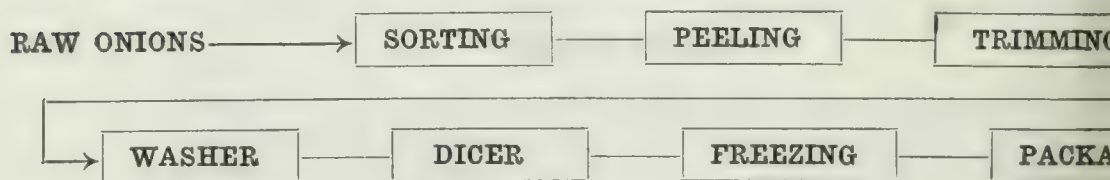
The Groen et al. patent in suit (R. 5) was entitled "Process of Quick-Freezing Raw Onions". Among the statement of objects the following appears:

"Heretofore it has been considered impossible to quick freeze raw onions properly because onions have a high moisture content and do not withstand a blanching step as they become unsuitable for freezing operations because of tissue breakdown." (Column 1, lines 19-23)

Further:

"We have discovered that by dividing the raw onions in suitable pieces such as diced onions, onion rings, or utilizing whole raw onions of a size comparable to onions commonly employed as stewing onions, *the raw onions can be quick frozen satisfactorily without a blanching step*, contrary to the belief in industry." (Column 1, lines 24-29; emphasis supplied)

The flow sheet or drawing forming a part of the application shed further light on the subject matter and it is here reproduced for convenient reference.



The process was further characterized by this statement:

"Throughout the entire process the temperature of the raw onions is maintained at ambient atmospheric temperatures or lower so that no undesirable effects of heating are present in the flesh of the onions. By

ambient atmospheric temperatures we mean temperatures which would affect the onion or onion pieces throughout their flesh.” (Column 2, lines 16-23; emphasis supplied)

The asserted inventive concept was defined in the single claim of the patent which, because of its brevity, is here repeated for ready reference:

“The process of quick-freezing raw onions which comprises sorting the onions, peeling and trimming the onions to remove unedible and undesirable portions thereof, washing the peeled and trimmed onions, cutting the onions into pieces, carrying the onion pieces while unconfined through a freezing zone and effecting an individual freezing operation on each onion piece at least as cold as substantially zero degrees F., and then packaging the onion pieces, the entire process being carried out at substantially ambient atmospheric temperatures.”

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### **A PROPER USAGE OF SUMMARY JUDGMENT**

Appellants argue the broad proposition that summary judgments are improper on the issue of validity of a patent and they cite two early District Court decisions to support their contention. The most that can be said for *Baker v. First National Stores*, 64 F.S. 979, 980, 69 USPQ 11, 12 (D.C. Mass., 1946) is that it was an action for patent infringement in which the defense of misuse was raised and presented by motion for summary judgment. In denying the motion for the failure of the de-



defendant to bring its defense within the misuse principle, the District Judge made a general observation that:

“Patent validity is an issue not rightly disposed of by summary judgment.”

The District Court in Massachusetts cited Appellants' second authority, namely, *American Optical Co. v. New Jersey Optical Co.*, 58 F.S. 601, 65 USPQ 114. In that case the complaint sought recovery of royalties under patent licenses and defendant counterclaimed for damages for violation of the Sherman Act. In denying defendant's motion for summary judgment Judge Sweeney (who also decided the *Baker* case, *supra*) made this general observation (65 USPQ 118):

“In the usual infringement case where the validity or scope of the patents is in issue the question cannot be decided without the aid of expert testimony and reference to file wrappers and prior art. Such an issue is not rightly disposed of by summary judgment.”

But these two decisions in the Massachusetts District do not represent the law in this circuit and it is noteworthy that Appellants did not come to grips with the weight of authority here as expressed in:

*Park-In Theatres, Inc. v. Perkins*, 190 F(2d) 137, 90 USPQ 153 (CA 9);

*Rankin v. King*, 272 F(2d) 254, 123 USPQ 397 (CA 9);

*Walker v. General Motors Corp., et al.*, 359 F(2d) 474 (CA 9)

affirming decisions granting motions for summary judgment for patent invalidity under proper circumstances,

and

*Hughes Blades, Inc. v. Diamond Tool Associates*,  
300 F(2d) 853, 132 USPQ 305 (CA 9);

*Cee-Bee Chemical Co., Inc. v. Delco Chemicals, Inc.*,  
263 F(2d) 150, 120 USPQ 72 (CA 9)

neither of which stands for an absolute prohibition against summary judgment disposition of patent cases (as Appellants argue), but instead admonish against the resolution of genuine issues of material fact in the granting of motions for summary judgment.

It is of particular interest that this Court commented on the *Baker* case in its decision in *Rankin* by saying (123 USPQ 400):

“And we will agree that it is ‘usually inappropriate’ to grant summary judgment in the ordinary patent case. *Baker v. First Nat. Stores*, D.Mass. 1946, 64 F.Supp. 979, 980, 69 USPQ 11, 12.”

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#### THE DISTRICT COURT ACTED PROPERLY

An examination of the record clearly shows that the District Court acted properly in the instant case and with due regard for the guidelines laid down by this Court. The trial court had before it the following unchallenged and non-controverted material:

1. A printed copy of the patent in suit, which had been appended to the Complaint as Exhibit A (R. 3).
2. The deposition of Appellant Groen taken on behalf of Appellee, in which there was no cross-examination on behalf of Appellants.



3. The deposition of Appellant Rice taken on behalf of Appellee, in which there was no cross-examination on behalf of Appellants.

4. The deposition exhibits.

5. Motion Exhibit A, a breakdown analysis of the single claim of the patent.

6. Motion Exhibit B, a certified file history of the application.

7. Motion Exhibit C, a book of the prior art cited by the Patent Office during prosecution of the Groen et al. application.

8. Appellants' Interrogatories and Appellee's Answers and Supplemental Answer to Interrogatory No. 2.

The Motion for Summary Judgment was predicated upon these items and the contention that being non-controverted matters of proof they could be looked to for a determination of whether the single claim of the patent validly defined an invention and, if valid, whether the claim was infringed. That the items tendered to the Court were, in fact, non-controverted material admits of no doubt.

Appellants never met the thrust of Appellee's showing relative to validity or infringement, but instead put in an affidavit of its counsel (R. 31) given largely to conclusionary or argumentative statements, without pointing out the existence of any material questions of fact, if any did exist.

Moore, *Federal Practice*, Vol. 6, page 2346, defines Appellants' burden in this way:

“To defeat a movant who has otherwise sustained his burden within the principles enunciated above, the party opposing the motion must present facts in proper form—conclusions of law will not suffice and the opposing party’s facts must be material and of a substantial nature, not fanciful, frivolous, gauzy, nor merely suspicions.” (See footnote annotations.)

As will be noted, the Zeller affidavit (R. 31) did not challenge the authenticity of the facts revealed in items 1-8, noted above, but simply alluded to (a) the absence of a denial of infringement<sup>1</sup> in the motion papers [it was in the Answer, Par. III, where it belonged (R. 7)] and (b) the fact that Appellants’ counsel had seen a package of onions with a White Plains, New York, address, from which he assumed an onion processing plant was maintained there and that Appellee may be using an undisclosed or different process than those employed at Nampa, Idaho, and Walla Walla, Washington. Item (b) was refuted by the Naylor affidavit (R. 34).

It is glaringly apparent that even upon this appeal Appellants do not and cannot point to the existence of a single genuine issue of material fact that was resolved or needed to be resolved in the District Court’s determination of the Motion for Summary Judgment on the basis of the non-disputed facts. This statement appears in Appellants’ Brief, page 5:

“The question of material fact which the court should have recognized appellants were entitled to have tried was: Is the combination of steps the subject of the

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<sup>1</sup>Appellants overlook the rule that the plaintiff has the burden of proving infringement (*Walker on Patents, Deller’s Edition*, page 2045).

claim of U. S. Letters Patent No. 2,950,203 a patentable invention in the light of the state of the prior art and the laws pertaining to patents?"

This Court has held that something more is required than a mere statement that an issue of fact exists. In *Henderson v. A. C. Spark Plug Division*, 366 F(2d) 389, 151 USPQ 162, 165 (CA 9, 1966), this appears:

"The mere statement that 'an issue exists' does not prevent the granting of a summary judgment below. To abide such a rule would emasculate the statute permitting such judgments."

It is respectfully submitted that when it appears clearly as a matter of law from undisputed facts disclosed by the letters patent, the file history or file wrapper of the patent, and the prior art, both cited and non-cited, that the patent in suit is invalid because of a want of patentable novelty, a motion for summary judgment is properly granted. *Rankin v. King, supra*, is directly in point and controlling.

Under such circumstances a patentee is not "entitled" to a trial on the issue of validity, as Appellants contend, and this would be true even if they had demanded a jury trial. Cf. *Bentley v. Sunset House Distributing Corp.*, 359 F(2d) 140, 149 USPQ 152 (CA 9, 1966).

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**THE PRESUMPTION OF VALIDITY OF THE PATENT  
IN SUIT HAS BEEN DISSIPATED**

Appellants argue, in effect (Brief pp. 2 and 3), that the presumption of validity, declared at 35 U.S.C. § 282, should have been sufficient to resist the challenge of va-

lidity by the Motion for Summary Judgment. This Court has declared that the presumption of validity of a patent is largely dissipated when it appears that there is one non-cited piece of pertinent prior art.

In *Monroe Auto Equipment Co. v. Superior Industries, Inc.*, 332 F(2d) 473, 141 USPQ 710, 716 (CA 9); cert. den. 379 U.S. 901, 143 USPQ 465 (1964), this Court observed:

“The existence of but one pertinent example of unconsidered prior art is not only sufficient basis to dissipate the presumption of validity (*Pressteel Co. v. Halo Lighting Products, Inc.*, *supra*; *Jaybee Mfg. Corp. v. Ajax Hardware Mfg. Corp.*, *supra*), but may render the patent invalid.”

See also:

*Henderson v. A. C. Spark Plug Division*, *supra*, at page 165 of 151 USPQ.

Further along in this brief the non-cited and pertinent prior art will be pointed out and discussed.

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#### THE FILE HISTORY AND THE CITED PRIOR ART

A study of the file history of the application for the letters patent in suit is quite informative as a preliminary to a consideration of the validity of the single claim which emerged from the prosecution and became the basis of the patent grant. Initially the patentees asserted four claims directed to quick-frozen raw onions or pieces thereof as an invented *product* (Motion Exhibit B, p. 5). The first claim recited:

“As a product, quick-frozen raw onion pieces containing substantially the entire moisture content of



the onions and being free of any effect of heating or blanching.”

Claims 2, 3 and 4 were dependent therefrom and differed in the particulars that the pieces were defined as “diced onions”, “onion rings”, “whole peeled onions”, respectively. The product claims were short-lived, being rejected by the Patent Office Examiner with the observation (Motion Exhibit B, p. 11):

“Claims 1-4, drawn to the product, are rejected as unpatentable over any of the onions, sliced or otherwise, of the prior art whether such onions be frozen or unfrozen. The product of the claims is still only an onion and will differ at best in degree and not in kind. (Maryland Homin v. Dorr, 46 F. 773; In re McKee, 1938 C.D. 425). Accordingly, patentable novelty should be predicated upon the process, and not upon the frozen onion *per se*.”

There followed an argument coupled with affidavits (Motion Exhibit B, at pages 12-30), but the Examiner persisted in his rejection of the product claims (Motion Exhibit B, pages 31-33) and the patentees acceded by cancelling the product claims (Motion Exhibit B, page 35).

Paralleling this abortive attempt to obtain product claims, the patentees initially asserted four process claims (Motion Exhibit B, pages 6-7). These claims were also rejected in the initial Patent Office action (Motion Exhibit B, pages 10-11) reference being had to cited literary references and one patent. In response to that rejection the patentees pointed to a passage in the specification (Motion Exhibit B, page 1, lines 10 to 15 [which also appears in the issued patent, which appears at R. 5,

column 1, lines 23-29]). The patentees took the position in their argument that:

“In fact applicants’ principal discovery was that the blanching step is unnecessary in the quick-freezing of raw onions.” (Motion Exhibit B, page 12)

Subsequently, the patentees called the Examiner’s attention to a reference which they believed to be more pertinent than any cited by the Examiner, namely “Make the Most of Your Food Freezer” by Marie Armstrong Essipoff, published by Rinehart & Company of New York, and copyrighted in 1951 and 1954, Library of Congress card number 54-9436. They acknowledged that the Essipoff book contained a discussion of the freezing of onions at pages 89 through 94 and that they were also mentioned on page 27 and pages 100, 111, and 117, the latter pages particularly mentioning the omission of blanching. With this dissipation of the argument that the applicants’ principal discovery was that the blanching step is unnecessary in the quick-freezing of raw onions, the patentees shifted their grounds and began to talk about a different asserted point of novelty of their process by saying (Motion Exhibit B, page 36):

“The Essipoff disclosure teaches placing the chopped onions in a bag and then placing this bag in a freezer so that the pieces of onions are *not* frozen individually but would be frozen as a group. This is contrary to applicants advantageous teaching of individual freezing of each piece of the onion as duly brought out in the newly presented claim 9.”<sup>2</sup>

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<sup>2</sup>Of course the Patent Office was wholly unaware that the patentees had made a written description on August 16, 1956, prior to the filing of their application, giving a totally different and contradictory version of what their invention was all about (see Groen deposition pages 16-20 and Defendant General Foods Exhibit 7-B).



Claim 9, which with certain amendments became the single claim of the issued patent, was then presented (Motion Exhibit B, page 35). This claim as presented met with a final rejection (Motion Exhibit B, pages 38-39) and there followed an appeal to the Board of Appeals (Motion Exhibit B, page 40) with a brief in support thereof (Motion Exhibit B, pages 41-46). While the appeal was pending the patentees made certain specific amendments to Claim 9 (Motion Exhibit B, page 47) and the Examiner's resistance was finally worn away and amended Claim 9 was allowed (Motion Exhibit B, page 51).

While the allowance of the lone claim of the patent appears suspect for the obvious failure of the Patent Office to apply the requisite standards of invention (Cf. *Graham v. John Deere & Co.*, 383 U.S. 1, 148 USPQ 459 (1966)), nevertheless the admissions of the patentees as to the state of the art leaves no doubt that the claim is invalid.

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#### THE ADMITTED STATE OF THE ART

The effective prior art date of the patent in suit was March 26, 1956, this being one year prior to the filing of the application for the patent in suit (35 U.S.C. § 102).

Appellants, Groen and Rice, admitted in their depositions and in the file history of their patent to the substantial identity of prior food freezing processes and the subject matter of the patent claim in suit.

The following comparative analysis of the claimed process and the admitted prior art is revealing:

**Steps of Patent Claim****Admitted State of the Art**

- |  |  |
|--|--|
| 1. Sorting the onions  | Customary with vegetables<br>(Groen dep. 24)                                   |
| 2. Peeling and trimming the onions to remove unedible and undesirable portions thereof                               | Customary with vegetables<br>(Groen dep. 24)                                   |
| 3. Washing the peeled and trimmed onions   | A conventional operation<br>(Motion Exhibit B, page 2, lines 19-21)            |
| 4. Cutting the onions into pieces  | Customary with some vegetables<br>(Groen dep. 24)                              |
| 5. Carrying the onion pieces   | Customary with vegetables  |
| (a) while unconfined through a freezing zone   | (Customary with peas and beans)  |
| (b) effecting an individual freezing operation on each onion piece at least as cold as substantially zero degrees F. | (Customary with some vegetables) (Groen dep. 25; Rice dep. 32 for temperature) |
| 6. Then packaging the onion pieces   | A conventional operation<br>(Motion Exhibit B, page 3, lines 23-26)            |

The entire process being carried out at substantially ambient atmospheric temperatures.

In the foregoing analysis we see a concession by the patentees that each step of the process of the claim is admittedly old in the art. The sole point of novelty that can be asserted is that the patentees apply the process to *onions* whereas the prior users applied it to *other vegetables*. But the mere selection or choice of a different item of food to be processed by a process otherwise old can never rise to the dignity of invention. The District Court quite properly placed its reliance on *Brown et al.*

*v. Piper*, 91 U.S. 37 (1875). The patent there under consideration related to a process for preserving fish and meats, and it was contended that if the process was old it had never been applied to the preservation of fish and meats. That contention was disposed of in this way (p. 41):

“The answer is, that this was simply the application by the patentee of an old process to a new subject, without any exercise of the inventive faculty, and without the development of any idea which can be deemed new or original in the sense of the patent law. The thing was within the circle of what was well known before, and belonged to the public. No one could lawfully appropriate it to himself, and exclude others from using it in any usual way for any purpose to which it may be desired to apply it.

This is fatal to the patent. *Ames v. Howard*, 1 Sumner 487; *Howe v. Abbot*, 2 Story, 194; *Bean v. Smalwood*, id. 411; *Winans v. B. & P. R. R.*, id. 412; *Hotchkiss et al v. Greenwood et al*, 11 How. 248.”

It is an interesting sidelight on the *Brown* case that, although long prior to the modern concept of summary disposition as it is now known under Rule 56, the Supreme Court took judicial notice of the ice cream freezer as prior art to the process under consideration and observed at (p. 43):

“If the cream were taken out of the freezer, and fish put in, there would be, in all substantial respects, the same apparatus, process and result.”

And, further (at p. 44):

“Examined by the light of these considerations, we think this patent was void on its face, and that the court might have stopped short at that instrument,

and without looking beyond it into the answers and testimony, sua sponte, if the objection were not taken by counsel, well have adjudged in favor of the defendant.”

Applying the admitted state of the art to the claim in suit leads inescapably to a summary holding of invalidity of the claim for failure to meet the conditions for patentability prescribed in 35 U.S.C. §§102 and 103.

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#### **THE AMBIENT ATMOSPHERIC TEMPERATURE LIMITATION**

The patent claim requires “the entire process being carried out at substantially ambient atmospheric temperatures.” The phrase “ambient atmospheric temperatures” must indicate some recognizable temperature range at which all of the process is carried out; otherwise the claim is invalid for indefiniteness under 35 U.S.C. §112.

The specification of the patent states (R. 5, column 2, lines 16-22) :

“Throughout the entire process, the temperature of the raw onions is maintained at ambient atmospheric temperatures or lower so that no undesirable effects of heating are present in the flesh of the onions. By ambient atmospheric temperatures, we mean temperatures which would affect the onion or onion pieces throughout their flesh.”

In the file history of the patent (Motion Exhibit B, page 42) the patentees’ attorney made the following statement:

“The entire process is carried out at ambient atmospheric temperatures or lower, this step insuring that there is no blanching treatment of the onions or no application of heat thereto which would tend to



deteriorate the structural character of the onion pieces.”

These statements indicate that what the patentees really intend is that the process is carried out *without heating*. The onions are subject only to the normal atmospheric temperatures which they would experience during processing, save and except passage through the freezing zone which would be at variance with ambient atmospheric temperatures. No elevated temperature is applied to the onions which would cause physical effect on them.

Some light is shed on the patentees' own interpretation of the claim in Appellants' Brief (pages 4-5) where this statement appears:

“However, Appellants' position is that the uniqueness of their patent exists in (1) the process of individual (2) quick-freezing of (3) raw onion pieces (4) at substantially ambient temperatures, i.e., *without being subjected to any heat or blanching step*.”  
(Emphasis supplied)

Taken literally, this would represent a complete cycle upon the part of the patentees as to what their invention really is, it being recalled that until Mrs. Essipoff's book appeared over the horizon they were contending in the Patent Office that their “principal discovery was that the blanching step is unnecessary in the quick-freezing of raw onions”, from which position they receded, only now to return to it by treating the “ambient atmospheric temperatures” as equal to omission of a blanching or heating step. (Compare the deposition of Groen, pages 28-30, in which it appears that the initial steps of the claimed process were carried on indoors according to the tempera-

ture of the room as they found it, then moving the onion pieces from atmospheric or room temperature into the actual freezing temperature that they were seeking within the freezing apparatus, with some packaging at zero degrees and below and also at room temperature with no observable difference in the end product under those conditions.)

If ambient atmospheric temperature means, as Appellants now say it means, the omission of a blanching or heating step, then Appellants are back where they started and the Essipoff reference is decisive. If, on the other hand, the Appellants try now to give the ambient atmospheric temperature limitation an interpretation which avoids Essipoff, then the concluding phrase of the claim renders the whole claim bad for indefiniteness under 35 U.S.C. §112. In this area the decision of this Court in *Vitamin Technologists, Inc. v. Wisconsin Alumni Foundation*, 146 F(2d) 941, 63 USPQ 262 (CA 9, 1944) is applicable. In that case this Court was concerned with process claims which involved exposing substances to radiation to produce Vitamin D in the substances. The claim attempted to define the time period of radiation in terms of the function which the radiation was to produce. For this reason the Court held the claims invalid, saying (63 USPQ 272):

“Appellant contends, and we agree with it, that the phrase of all the claims of the first and second patents, describing the function of exposure as ‘for a period sufficient to effect antirachitic activation but so limited as to avoid subsequent substantial injury to the antirachitic principle,’ is too vague and uncertain a description of the process to ‘inform the public . . . of the limits of the monopoly asserted.’ ”



### THE ISSUE OF INFRINGEMENT

The Motion for Summary Judgment also presented the issue of infringement (R. 14) asserting that the single claim of the patent has not been infringed by Appellee because the process employed by Appellee is neither covered by nor does it respond to the patent claim. The District Court did not reach or rule upon that aspect of the Motion, limiting its ruling to the issue of validity.

Although the issue of infringement is not, strictly speaking, before the Court for determination, nevertheless the issue is still a pending part of the case and the Court has the power and authority to pass judgment upon it, if it so elects. It did so in *Ry-Lock Co. Ltd. v. Sears, Roebuck & Co.*, 227 F(2d) 615, 107 USPQ 292. There, as here, the decision of the trial court was limited to the issue of validity of the patent, but the Court, in reversing a holding of invalidity, proceeded to a determination of the issue of infringement and held the patent infringed in view of the evidence before it. It said (107 USPQ 294):

“The question of infringement remains. The evidence in our judgment so clearly demonstrates infringement that *a finding of no infringement would have been clearly erroneous.*” (Emphasis supplied)

See also: *Illinois Tool Works, Inc. v. Rex L. Brunsing, et al.*, ..... F(2d) ....., 153 USPQ 771 (CA 9, April 28, 1967).

It is the position of Appellee that the uncontroverted evidence before the trial court, and now here, so clearly demonstrated non-infringement of the single claim of the patent as to compel a ruling favorable to Appellee, if that issue is ever reached.

The evidence consisted of the Appellee's sworn answers (R. 59) to Appellants' Interrogatories (R. 53) taken with the Supplemental Answer to Interrogatory No. 2 (R. 71). This material was neither challenged as to substance nor controverted in any material way. This was not surprising as the Appellants testified that, as late as December 23, 1964, they had not investigated General Foods' operations (See: Groen Dep. 12-13; Rice Dep. 11-12). In any event, Appellants did not meet the substance of Appellee's motion showing of non-infringement as they were required to do.

As shown by Appellee's Answers to Interrogatories (R. 59) and the Supplemental Answer to Interrogatory No. 2, the accused process not only differs from the patent claim in its sequential steps of treating the onions, but the whole process of General Foods is carried out at something different than the patentees' "substantially atmospheric temperatures", or the environmental aspect of the patented process. The following, simple analytical chart comparing the processes should prove convincing:

**The Patented Process of  
Quick-Freezing Raw Onions**

1. sorting the onions

**General Foods Process  
(at Nampa, Idaho)**

1. Raw onions are prepared for peeling by immersion in water at 140°-160° F. for a period of 6-4 minutes, the blancher being normally used for blanching baby lima beans. This immersion softens the outer skin of the raw onion and enables the skin to be removed with the aid of a series of rotating brushes contacting and abrading the skin.

### **The Patented Process of Quick-Freezing Raw Onions**

2. peeling and trimming the onions to remove unedible portions thereof
3. washing the peeled and trimmed onions
4. cutting the onions into pieces
5. carrying the onion pieces
  - (a) while unconfined through a freezing zone and
  - (b) effecting an individual freezing operation on each onion piece at least as cold as substantially zero degrees F., and
6. then packaging the onion pieces

the entire process being carried out at substantially ambient atmospheric temperatures.

---

### **General Foods Process (at Nampa, Idaho)**

2. Onions are subsequently washed in a vegetable washing reel where additional peel is removed.
3. Tops and roots are trimmed by hand.
4. The onions are diced to a  $\frac{3}{8}$ " x  $\frac{3}{8}$ " size.
5. The chopped onions are inspected for defects and pumped in water to a dewatering shaker from which they fall into a tunnel freezer feed belt.
6. While on the tunnel freezer belt the chopped onions are subjected to a sub-zero degrees F. air blast and are frozen.
7. The frozen chopped onions are removed from the tunnel belt and are conveyed to bulk tote bins from which they are dumped as required to a filling machine wherein they are volumetrically packed in polyethylene bags (each containing 16 oz. of product).

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(Step No. 1, including immersion of the onions in water at 140°-160° F. for a period of 6-4 minutes, is the direct antithesis of "substantially ambient atmospheric temperatures".)

An alternate peeling technique was previously employed at General Foods' Walla Walla plant. As set forth on page 2 of the Supplemental Answer to Interrogatory No. 2, raw onions were subjected to super-atmospheric temperatures at super-atmospheric pressures, determined to be about 250° F. at 20-25 lbs. per sq. in. gauge, for a period of 30 seconds. This procedure was abandoned in favor of hot water peeling.

As pointed out at page 2 of the above-mentioned Supplemental Answer, the heating of the onions is done for two reasons: The first is to facilitate removal of the skins in a vegetable peeler. The second is to eliminate coliform, which is a surface organism and is susceptible to elimination at the elevated temperatures set forth hereinabove.

In marked contrast, the patentees Groen and Rice represented to the Patent Office that:

"In fact applicants' principal discovery was that the blanching step is unnecessary in the quick freezing of raw onions." (Motion Exhibit B, page 12, last three lines.)<sup>3</sup>

This must be taken as a disclaimer of the desire for any heat, when read with the limitation of the claim that:

"\* \* \* the entire process is carried out at substantially ambient atmospheric temperatures."

This disclaimer of any heating step is re-emphasized in Appellants' Brief pp. 4-5, wherein it is said:

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<sup>3</sup>This was before the Patent Office Examiner cited Essipoff for the proposition that elimination of the blanching step was not inventive. (Motion Exhibit B, page 38) See also: the patentees' "Statement of Invention", Appeal Brief, Exhibit B, page 42.



“However, appellants’ position is that the uniqueness of their patent exists in (1) the process of individual (2) quick-freezing of (3) raw onion pieces (4) at substantially ambient temperatures, i.e., *without being subjected to any heat or blanching step.*” (Emphasis supplied)

Appellants, in desperation with respect to the showing of the existence of some fact issue, point (Brief p. 6) to Avon, New York, as another place where Appellee admits preparing onions and say that nothing in the record shows the process there employed, as distinguished from Nampa, Idaho, and Walla Walla, Washington. This is untrue. Appellee’s Answer (R. 60) to Interrogatory No. 2 was applicable to *all* of Appellee’s operations, wherever situated. The Supplemental Answer (R. 71) to Interrogatory No. 2 dealt specifically with the practices at Nampa, Idaho, and Walla Walla, Washington, insofar as they differed from the basic process employed by Appellee as set forth in the first answer to Interrogatory No. 2.

In all of the variations of Appellee’s process *the onions are subjected to heat* and this is the direct antithesis of Appellants’ patent claim and the interpretation Appellants put upon it.

In the General Foods process, the onions are subjected to a temperature of 160° F. This temperature is clearly above the temperature of the atmosphere in any normal place where onions are grown, transported or processed. More importantly, however, this temperature in the General Foods process causes actual physical changes in the skin of the onion. The skin of the onion actually becomes

softer as a result of the application of the 160° F. temperature.

For this reason, the General Foods process is different from the process claimed in the patent. Because of this difference, the General Foods process operates in a different way and produces a different result, i.e., softening of the skin of the onions by the application of heat, which the inventors expressly avoid. Since the General Foods process is different and produces a different result, it does not infringe.

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### CONCLUSION

It is respectfully submitted that the decision of the District Court in holding the single claim of the patent in suit invalid and in granting summary judgment with respect thereto was fitting and proper and should, therefore, be affirmed. Even assuming, *arguendo*, that the Patent Office applied the proper standards of invention in allowing the claim, which admits of grave doubt, the admitted state of the art (which the Patent Office never saw) showed the District Court a total want of invention or obviousness in an overwhelming degree. Under such circumstances and, according to *Rankin v. King*, *supra*, the granting of the Motion for Summary Judgment for invalidity was in order.

If, for any reason, this Court disagrees with the lower court's holding of invalidity, it may, if it so elects, proceed to a determination of the issue of infringement upon



the clear, convincing and non-controverted evidence before it showing non-infringement.

Dated, San Francisco, California,  
January 2, 1968.

Respectfully submitted,

NAYLOR & NEAL,

By JAMES M. NAYLOR,

*Attorneys for Appellee*

*General Foods Corporation.*

---

CERTIFICATE OF COUNSEL

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

JAMES M. NAYLOR,

*Attorney for Appellee.*

No. 22,059

United States Court of Appeals  
For the Ninth Circuit

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REIN J. GROEN and WILLIAM A. RICE,  
*Appellants,*

vs.

LUSTIG FOOD CORPORATION, et al.,  
*Appellees.*

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APPELLANTS' REPLY BRIEF

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FILED

JAN 22 1968

WM. B. LUCK, CLERK



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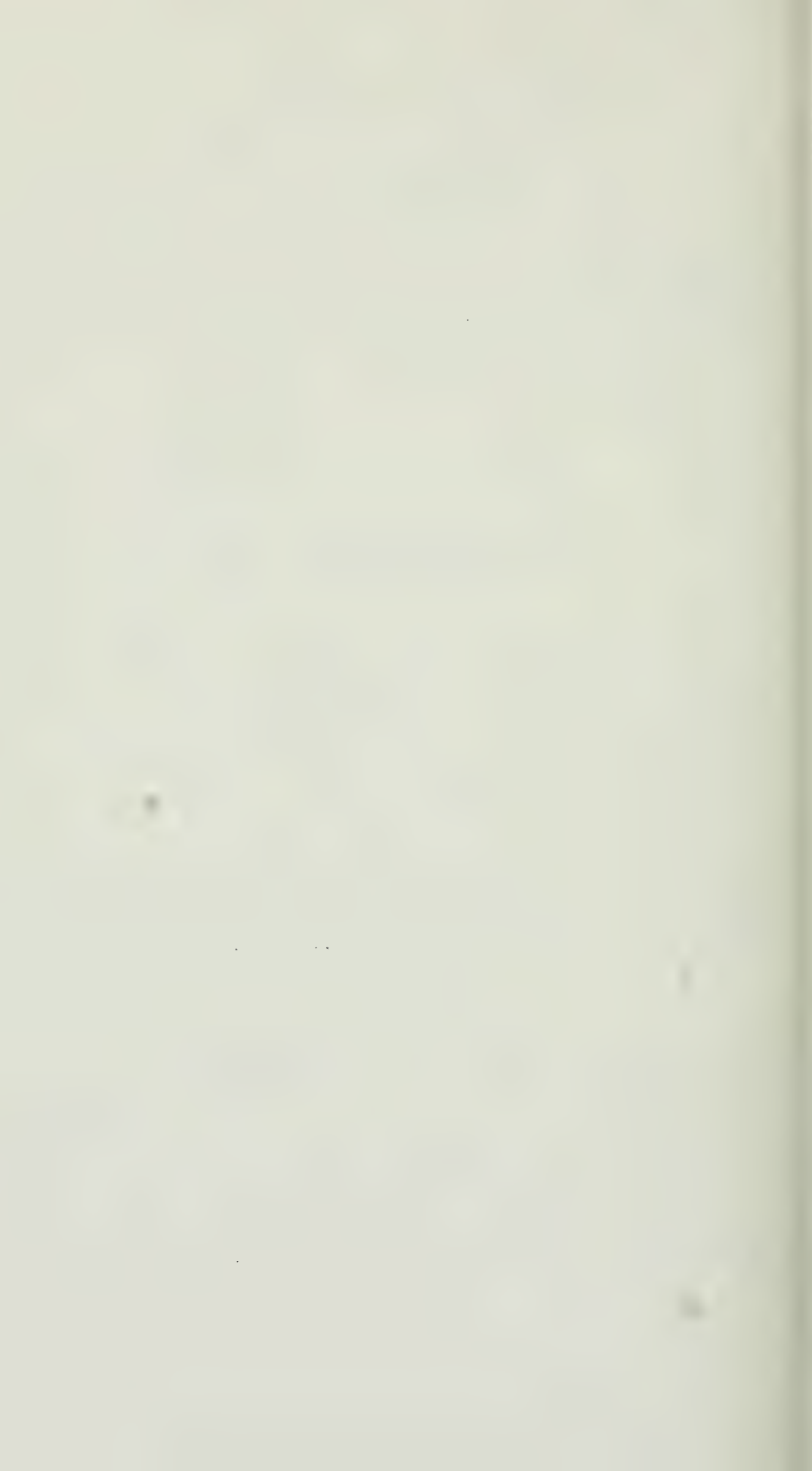
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No. 22,059

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---

**APPELLANTS' REPLY BRIEF**

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Under the cited cases of Appellants' and Appellee's briefs, it is quite clear that summary judgment in patent cases is usually frowned upon by all courts hearing such matters. Such a judgment deprives a person of his right to a trial on the facts. The very severe result of such a judgment in the case at bar actually strips the Appellants of their letters patent which the Patent Office saw fit to grant to them. It is just this type of harsh result which the courts are attempting to avoid in denying summary judgment.

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**VALIDITY OF PATENT**

A presumption of validity follows from the issuance of a patent, and the burden is on the person alleging



invalidity to establish it. (Sec. 282 of the Patent Act of 1952, 35 USC Sec. 282 (1958).) The presumption of validity is strengthened where pertinent prior art was considered by the Patent Office, or the patent was granted after considerable contest in the Patent Office. Where the best of the art relied upon by an infringer was before the Patent Office, this fact strengthens the presumption of validity. (See Deller's *Walker on Patents*, Second Edition, Sec. 261, and cases cited thereunder.) Presumption of a patent's validity becomes all the stronger when the Patent Office has considered the most pertinent references before issuing the patent. (*Neff Instrument Corp. v. Cohu Electronics, Inc., et al.*, 131 USPQ 98, 298 F2d 82, CA 9 (1961).)

It will be noted that Appellee has cited *no* prior art to sustain its challenge of invalidity which was not before the Patent Examiner at the time the patent was granted. The Essipoff method was considered by the patent Examiner before the patent was granted (Motion Exhibit B, p. 50), and the court should have resolved any doubts as to the validity of the letters patent against the Appellees. (Fed. Civil Practice, California Continuing Education of the Bar, 380.)

Actually, the presumption of validity is strengthened by the history in the Patent Office since it was granted only after considerable controversy. (*National Sponge Cushion Co. v. Rubber Corp. of Cal.*, 286 F2d 731, 128 USPQ 329, CA 9 (1961).) The presumption of validity which automatically attaches upon the issuance of a patent is strengthened when there were

extensive administrative proceedings concerned with the prior art. (*Otto v. Koppers Co.*, 114 USPQ 188, CA 4 (1957).)

Appellants respectfully contend that the summary judgment adjudicating the invalidity of the patent in suit was not proper in this case.

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#### QUESTIONS OF MATERIAL FACTS

Although Appellee attempts in its brief to sidestep the questions of material fact which Appellants had a right to have tried, it has not been successful in so doing. The questions still exist:

1. Is the *combination* of steps the subject of the claim of U.S. Letters Patent No. 2,950,203 a patentable invention in the light of the state of the prior art and the laws pertaining to patents?

2. Does the lack of an unequivocal denial of infringement anywhere in the pleadings except in the answer presume infringement?

Appellee isolates certain steps of the patented process and attempts to show some of these steps were known to the prior art. However, it fails completely to show that the *combination of steps* per se was known to the prior art. Combinations exhibit invention when they embody improvements and their elements cooperate in a new and useful way to accomplish an improved result. (*Williams Mfg. Co. v.*

*United Shoe Machinery Corp.*, 316 US 364, 86 L ed 1537 (1942). The blanching step or application of heat to the onions was used in some of the prior art; the Essipoff procedure did not encompass the individual freezing operation on each onion piece (Motion Exhibit C, page 12); and Appellee has cited no instance where the combination of steps as claimed by the patent was known to the prior art.

---

#### NO UNEQUIVOCAL DENIAL OF INFRINGEMENT

Appellee argues that the uncontroverted evidence before the trial court demonstrated non-infringement, but it fails to establish where in the pleadings there is an unequivocal denial of infringement other than in the answer. The material allegations of Appellants' complaint must be accepted as true and they must be given the benefit of the most favorable inferences which reasonably can be drawn therefrom. (*Jefferson v. Whitworth College*, 128 F Supp 219.)

Although Appellee describes in its answers to interrogatories (C.T. 60) a process by which frozen onions are prepared by it, there is no denial of preparing them by the Appellants' patented process. Moreover, Appellee's answer is predicated upon its conclusion that perhaps some of its other processes are not involved where it states, "Insofar as any method for the preparation of onions *which may be pertinent to the subject matter of this litigation. . . .*" (emphasis supplied) and then proceeds to describe one process

of producing a diced and frozen onion product. Consequently, there is no unequivocal denial of infringement other than in the answer, and Appellants should have been entitled to a trial on this issue.

Dated, Stockton, California,  
January 18, 1968.

Respectfully submitted,  
CHARLES A. ZELLER,  
*Attorney for Appellants.*

---

#### CERTIFICATE OF COUNSEL

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

CHARLES A. ZELLER,  
*Attorney for Appellants.*



1257  
No. 22060/

In the  
**United States Court of Appeals**  
*For the Ninth Circuit*

---

SCANBE MANUFACTURING CORPORATION,  
*Appellant,*

vs.

WILLIAM TRYON,  
*Appellee.*

---

**BRIEF FOR APPELLANT**

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FILED

DEC 4 1967

WM. B. LUCK, CLERK





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No. 22060

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SCANBE MANUFACTURING CORPORATION,

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*Appellee.*

---

**BRIEF FOR APPELLANT**

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**Jurisdictional Statement**

This is an appeal from a habeas corpus proceeding wherein the jurisdiction of the lower court was based on 28 U.S.C. 2241 (c-2) relating to the court's powers to grant writs of habeas corpus [R. 115, line 9]. The appellate jurisdiction of this court is based on 28 U.S.C. 2253, the notice of appeal having been filed by the appellant within the prescribed period [R. 116, 117]. This appeal is from the granting of a writ of habeas corpus releasing the petitioner [R. 112, 115] and was entered on June 1, 1967, by the Honorable Sherrill Halbert, Judge for the Eastern District of California, sitting in the U. S. District Court for the Central District of California, by

designation of the chief judge of the Court of Appeals for the Ninth Circuit, The Honorable Richard H. Chambers, pursuant to the provisions of 28 U.S.C. 292(b) [R. 15]. The petition was originally filed in this court on behalf of the appellee by one, Edward E. Simmons, Jr., and transferred to the Central District of California by Chief Judge Chambers [R. 137].

## **Statement of the Case**

### **A. Background**

The foundation of the appellee's incarceration is a complaint for patent infringement in the district court with the court assuming jurisdiction under the provisions of 28 U.S.C. 1338(a) [R. 42, 43], Civil Action 65-784. A judgment for patent infringement was entered in the action on January 6, 1966, with an ORDER that an injunction issue in favor of appellant enjoining appellee from infringing the patent in suit [R. 28, 30]. Pursuant thereto the injunction [R. 24] was issued and served on the appellee [R. 27]. Following the service of the injunction, a judgment for civil contempt against the appellee was entered on April 3, 1967 [R. 20]. As a result of the failure to comply with the civil contempt judgment, the appellee was conditionally imprisoned pursuant to an ex parte order for his arrest [R. 19]. During this imprisonment, the petition for habeas corpus was filed on behalf of appellee by one, Edward E. Simmons, Jr. The proceeding on habeas corpus is the subject matter of the appeal before this court.

### **B. Habeas Corpus Proceedings**

During the habeas corpus proceedings, the appellee was initially released from his conditional imprisonment for contempt, on bail, by the Honorable Sherrill Halbert until final order of the court [R. 58]. Pending the final order of Judge Halbert, appellant filed evidence of new and continued violation of the injunction by the appellee [R. 84, 85, 99] rather than any attempt to purge himself of contempt.

Upon Judge Halbert's final order, it was determined by him that the injunction was void *per se* and that the judgment for contempt based on such an injunction cannot stand, therefore concluding that the appellee's custody was unlawful [R. 115, lines 11-14].

The injunction was void *per se* in the opinion of the lower court in that it did not contain a judicial signature and indicated as follows:

“Absent some clear authority, which has not been brought to my attention, I am of the view that the injunction signed only by a deputy clerk of the District Court is void.” [R. 114, lines 18-21].

The lower court further determined that it had jurisdiction to grant the writ of habeas corpus for the conditional imprisonment under 28 U.S.C. 2241(c)(2) [R. 115].

The result of the proceedings was that the appellee was released forthwith and appellant filed the appeal to this court.

### **C. Statutes involved**

1. 28 U.S.C. 1338(a)
2. 28 U.S.C. 2241(c)(2)
3. 28 U.S.C. 2253
4. 28 U.S.C. 1691 which reads as follows:  
     “All writs and process issuing from a court  
     of the United States shall be under the seal  
     of the court and signed by the clerk thereof.”
5. 35 U.S.C. 283
6. Federal Rules of Civil Procedure 54
7. Federal Rules of Civil Procedure 65

### **Specification of Errors**

1. The court erred in releasing the petitioner, William Tryon, from custody on bail pursuant to his imprisonment resulting from a decree holding petitioner in civil contempt for willful violation of an injunction in Civil Action 65-784-PH.



2. The court erred in its determination that the injunction issuing from the proceedings in Civil Action 65-784-PH is void as a matter of federal law since it was signed by a clerk of the district court and did not contain a judicial signature.

3. The court erred in its determination that it has jurisdiction to grant a petition for a writ of habeas corpus as a result of the petitioner's incarceration from a decree holding petitioner in civil contempt for violation of an injunction issuing from Civil Action 65-784-PH.

## ARGUMENT

### A. No Right of Bail For Imprisonment Resulting From Civil Contempt.

The right of bail has been traditionally employed to allow an individual to gain his freedom pursuant to the determination of his rights. The imprisonment for civil contempt is a coercive measure for the purposes of forcing the contemner to comply with the court order, in this instance implemented by means of the writ of injunction. For one district court judge to release a prisoner from imprisonment from contempt, on bail, is to go against the very heart of the coercive measure ordered by the previous district court judge and in effect reverses his judgment. It would appear that the proper measure for release of a prisoner held in civil contempt had long been established in *In Re Nevitt* (CA-8, 1902) 117 F. 448, 461, wherein it is stated as follows:

“They are imprisoned only until they comply with the orders of the court, and this they may do at any time. They carry the keys of their prison in their own pockets.”

*Parker v. U. S.* (CA-1, 1946) 153 F.2nd 66, 70; *Securities and Exchange Commission v. Penfield Co. et al.* (CA-9, 1946) 157 F.2d. 65, 66; *Penfield Co. of California v. Securities and Exchange Commission*, 330 U. S. 585. Also note *U. S. v. Fitzpatrick*, (CA-2, 1964) 330 F.2d 953 in a

similar habeas corpus proceeding relative to bail and imprisonment for contempt.

**B. Federal Law Allows the Clerk of the District Court to Sign Writs of Injunction.**

During the course of the habeas corpus proceedings, the district judge requested comments of all counsel with respect to the matter of an injunction being signed only by a clerk of court [R. 113, lines 5-8] and no counsel uncovered federal statute 28 U.S.C. 1691 [R. 114, lines 18, 19]. The judge himself did not uncover this statute as is evident by the order under appeal. 28 U.S.C. 1691 reads as follows:

“All writs and process issuing from a court of the United States shall be under the seal of the court and signed by the clerk thereof.”

It appears that this statute clearly covers the writ of injunction reviewed by the district court thereby rendering it valid as a matter of federal law, contrary to the opinion expressed in the district court's MEMORANDUM AND ORDER under appeal. This statute further cross-references the writ of injunction and Federal Rule of Civil Procedure 65.

The writ of injunction is itself authorized by 35 U.S.C. 283.

The application for writ of habeas corpus overlooked the important fact that the original judgment and injunction issuing out of this court was appealed by the appellee to the United States Court of Appeals for the Ninth Circuit and that appeal was dismissed by order of this court on December 1, 1966. The judgment from the Ninth Circuit Court of Appeals issued on the district court on or about January 31, 1967, and the mandate was spread by the United States District Court, Central District of California on February 10, 1967. Accordingly, the original judgment and injunction are not appealable matters.

Since the judgment and injunction are final and not appealable, any defenses going behind the original judgment are closed to the appellee at this time. It is respectfully submitted that the issues relating to the merits of the original judgment are comprehended by the doctrine of res judicata; *Chicot Co. Drainage District v. Baxter State Bank*. (CA-8, 1940) 308 U. S. 371, 378. The relevant portions of page 378 read as follows:

“The remaining question is simply whether respondents having failed to raise the question in the proceeding to which they were parties and in which they could have raised it and had it finally determined, were privileged to remain quiet and raise it in a subsequent suit. Such a view is contrary to the well-settled principal that res judicata may be pleaded as a bar, not only as matters actually presented to sustain or defeat the right asserted in the earlier proceeding, ‘but also as respects any other available matter which might have been presented to that end’. (citing cases)”

In the *Chicot* decision, Chief Justice Hughes stated that res judicata could be successfully pleaded even though in a subsequent case the act involved in the earlier decree was held to be unconstitutional. Also note *Thomas v. Cincinnati, N. O. & T.P. Ry. Co., In re Phelan* 62 F. 803, 823.

**C. The Writ of Habeas Corpus Is the Improper Proceeding to Test the Judgment for Civil Contempt.**

The propriety of this entire habeas corpus proceeding based on the petitioner’s conditional imprisonment for civil contempt is also in issue. It is respectfully submitted that the writ of habeas corpus cannot be properly employed to contest the judgment for civil contempt and the resulting conditional imprisonment; *Bowen v. Johnston* 306 U. S. 19; *Stewart v. Dunn* (CA-5, 1966) 363 F.2d 591, 597.

The proper procedure in this matter was an appeal from the judgment of civil contempt to the United States Court of Appeals of the Ninth Circuit and not by the habeas corpus proceeding. *Craig v. Hecht* 263 U.S. 255, 277. Also note *In Re Swan* 150 U.S. 637; and *U.S. v. Pridgeon* 153 U.S. 631. In this latter case the court's discussion is particularly relevant to the appellant's position when it indicated at 153 U. S. page 637 as follows:

“Under a writ of habeas corpus the inquiry is addressed not to errors but to the question whether the proceedings and the judgment rendered therein, are for any reason, nullities, and unless it is affirmatively shown that the judgment or sentence, under which the petitioner is confined, is void, he is not entitled to his discharge.”

.....

“... There is no law or justice in giving to a prisoner relief under habeas corpus that is equivalent to an acquittal, when, upon writ of error, he could only have secured relief from that portion of the sentence which was void.”

It is respectfully submitted that even though a statute is held to be unconstitutional, disobedience of an order made prior to such holding is punishable by contempt; *Locke v. United States* (CA-5, 1935), 75 F.2d 157, 160, cert. den. 295 U.S. 733. In the *Locke* case an order was made directing compliance with the Oil Code which was later held unconstitutional in *Panama Refining Company v. Ryan* 293 U.S. 388. After the act was held unconstitutional, a contempt proceeding was started against *Locke* and the contempt was sustained.

The other aspect of this case is that despite the validity or invalidity of the writ of injunction, it was founded on a valid judgment which ordered the issuance of the writ of injunction. The judgment contains the identical prohibitions that the writ of injunction recites and the appellee had full knowledge thereof. In this connection,



attention is respectfully directed to this court's decision of *Tanner Motor Livery, Ltd. v. Avis, Inc.* (1963) 316 F.2d 804, 810, wherein it indicated as follows:

“ . . . Orders of United States Courts, deliberately made, after proper notice and hearing, and subject to review by this Court, are not to be lightly changed by any judge of the trial court.”

The United States Supreme Court's most recent consideration of the matter of contempt was in *Walker v. City of Birmingham*, .. US .., 18 Led 2d 1210, 87 S. Ct. ... decided June 12, 1967, involving Dr. Martin Luther King, among others. The closing sentence of the majority opinion serves to close this brief as well, wherein it was indicated as follows:

“ . . . But respect for judicial process is a small price to pay for the civilizing hand of law, which alone can give abiding meaning to constitutional freedom.”

## CONCLUSION

Because of the reasons set out above, it is respectfully submitted that the trial court erred on each of the specifications of error including holding the injunction void because it was signed by the court clerk and not by a judicial officer. This court, then, is required to hold that all of the judgments and the injunction against the appellee are all valid and that he be conditionally recommitted for contempt until he has purged himself of contempt.

Respectfully submitted,

EDWARD J. DaRIN

*Attorney for Appellant*

*Scanbe Manufacturing Corporation*

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19 and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

EDWARD J. DaRIN



## APPENDIX

All exhibits were introduced by attachment to documents on file and accordingly each exhibit is referenced as to its page in the Record:

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Ex Parte Order for Warrant for Arrest of Defendant, William Tryon .....	19
Judgment for Civil Contempt .....	20-23
Injunction .....	24-27
Interlocutory Judgment .....	28-30
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Interlocutory Findings of Fact, etc. ....	87-95
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No. 22060

DEC 7 1967

FILED

DEC 7 1967

**United States Court of Appeals**

FOR THE NINTH CIRCUIT

WM. B. LUCK, CLERK

---

SCANBE MANUFACTURING COMPANY,

*Appellant,*

*v.*

WM. TRYON AND THE U.S. MARSHAL,

*Appellees.*

---

**MOTION FOR ORDER PERMITTING FILING OF  
BRIEF AMICUS CURIAE UNDER RULE 18-9(a)**

**and**

**BRIEF AMICUS CURIAE**

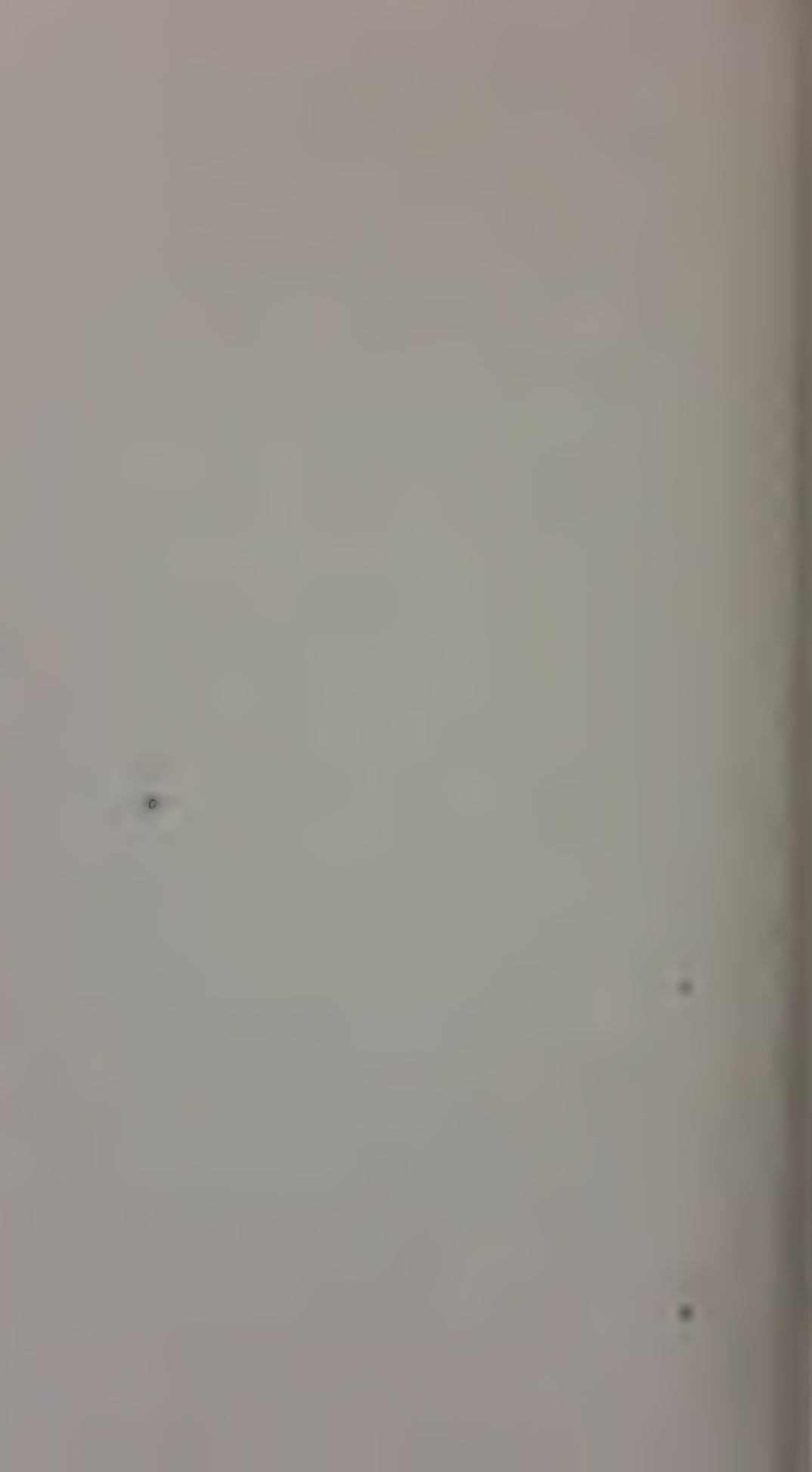
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LEWIS E. LYON  
811 West Seventh Street  
Los Angeles, California 90017

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DEC 4 1967

WM. B. LUCK, CLERK



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FILED

DEC 7 1967

No. 22060

IN THE

WM. B. LUCK, CLERK

**United States Court of Appeals**  
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*v.*

WM. TRYON AND THE U.S. MARSHAL,

*Appellees.*

---

**MOTION FOR ORDER PERMITTING FILING OF  
BRIEF AMICUS CURIAE UNDER RULE 18-9(a)**

and

**BRIEF AMICUS CURIAE**

---

The undersigned hereby moves this Court for an Order permitting the filing of the attached Brief Amicus Curiae in this cause. This motion is based upon the fact that the ruling of the District Court in this matter is such as to cast a serious cloud upon all processes and writs of the District Court now extant and upon the belief that if this District Court ruling is allowed to stand all writs heretofore issued out and under the seal of the Clerk of the District Court are void per se and unenforceable to any extent.

The undersigned is an attorney duly licensed to practice before this Court and has been practicing before the District Court of the United States, Southern District of California, and this Court for the last forty years. In such practice he has obtained and has in pres-



ent force injunctions in patent cases which have been issued under the authority of the District Court Judge but have been issued under the Seal of the Court and signed by the Clerk thereof. Such injunctions have not been signed by the District Judge. It is believed by the undersigned that there was a precise failure of counsel for the parties before the District Court to bring before the Court the authority under which such issuance of process and writs is had, namely, the provisions of Section 1691 U.S.C., Title 28, and that it was this failure which resulted in the ruling of the District Court that injunctions so issued were void per se and therefore in all respects unenforceable.

As a further reason underlying this Motion the undersigned represents to this Court that in filing this Motion and Brief Amicus Curiae he is responding to a request made by a District Judge that he appear and file a brief in this matter amicus curiae.

It is respectfully requested that this Court Order that the accompanying Brief Amicus Curiae be filed in this matter.

Respectfully submitted,

By        LEWIS E. LYON

DEC 6 1967  
SO ORDERED:

Richard H. Chambers  
Circuit Judge

Subject to reconsideration if any  
objection filed within 7 days.

No. 22060

IN THE  
United States Court of Appeals  
FOR THE NINTH CIRCUIT

---

SCANBE MANUFACTURING COMPANY,

*Appellant,*

*v.*

WM. TRYON AND THE U.S. MARSHAL,

*Appellees.*

---

**BRIEF AMICUS CURIAE**

This Brief is filed by the undersigned amicus curiae because it is believed to involve a question of fundamental importance to each and every practicing attorney before the District Court of the Southern District of California who has been instrumental in obtaining injunctive relief from that Court, and who in the exercise of his duties as an attorney has obtained for his client or clients a Writ of Injunction and may be in a position of being required to enforce that Writ.

This Brief is directed to a ruling of the District Court set forth in its Memorandum and Order herein signed May 29, 1967, which states at page 4, lines 11 to 14 thereof:

“... I am of the view that a judgment of contempt based upon the violation of an injunction that is void *per se* cannot stand and that petitioner's custody is therefore unlawful.”

and to that portion of the Order which states at page 3, lines 18 to 21 thereof:

“ . . . Absent some clear authority, which has not been brought to my attention, I am of the view that the injunction signed only by a deputy clerk of the District Court is void.”

Before issuing its Memorandum and Order in this cause signed by the Judge May 29, 1967, it is apparent from the said Memorandum and Order in the portion thereof as hereinabove set forth that the District Court had sought authority under which the injunction was signed by the Deputy Clerk and not by the District Judge. This is further apparent from that portion of the Memorandum and Order signed May 29, 1967, by the District Judge herein, wherein it is stated at page 2, lines 1 to 5 thereof:

“ . . . Upon review of the documents then filed this Court noted that the above mentioned injunction was not signed by a District Judge, but rather was undated, and signed by a deputy clerk of the United States District Court. . . .”

At no place in the record of this cause is reference made to the controlling statute with respect to the signing, sealing and issuance of processes and writs which is Section 1691 of U.S.C. Title 28. It is clearly this omission which is responsible for the Court's holding in this cause.

Section 1691 of U.S.C. Title 28 states:

“All writs and process issuing from a court of the United States shall be under the seal of the court and signed by the clerk thereof.”

The provisions of this section are unequivocally clear and no other section of the Statute provides for the mode, manner or signature of a Writ of Injunction issuing out of the District Court.

The injunction was issued by the Clerk under the Seal of the Court and signed by the Clerk in accordance with Section 1691, *supra*.

The Clerk issued the injunction pursuant to the provisions of the Judgment of the District Court, which Judgment was lodged with the Clerk on January 6, 1966. The terms of the Injunction issued by the Court under the Seal of the Court and signed by the Deputy Clerk conforms precisely with the terms of that Judgment, i.e., that defendant was enjoined from infringing one or more of the claims of Letters Patent Reissue 25,595 owned by the plaintiff for the remainder of the term of such patent. (Interlocutory Findings of Fact and Conclusions of Law Re Civil Contempt, page 1, lines 27 to 32 thereof).

The precise terms of the Injunction is thus fixed by and under the Judgment of the District Court signed by the District Judge and this fact is not challenged nor is the same in issue.

Rule 65 of the Federal Rules of Civil Procedure subsection (d) thereof further provides:

“Every order granting an injunction and every restraining order shall set forth the reasons for its issuance; shall be specific in terms; shall describe in reasonable detail, and not by reference to the complaint or other document, the act or acts sought to be restrained; and is binding only upon the parties to the action, their officers, agents, servants, employees, and attorneys, and upon those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise.”

It is not disputed that Wm. Tryon had actual notice and personal service of the Writ of Injunction. This



Court on a patent contempt ruling in *Union Tool Company v. Wilson*, 265 F. 669, C.A. 9, May 17, 1920, entered its ruling with respect to matters of both civil and criminal contempt and this ruling was affirmed by the Supreme Court in 259 U.S. 107, where at 113 the Supreme Court stated:

“ . . . Knowing of the injunction, it would have been bound to obey it even if no writ had issued. . . . ”

The District Court in its Memorandum recognizes the validity of this ruling wherein it states:

“The argument is pressed, however, that even a void injunction must be obeyed until it is overturned on appeal. As a broad proposition that is undoubtedly true (See: *Howat v. Kansas*, 258 U.S. 181, 189-190; *United States v. United Mineworkers of America*, 330 U.S. 258, 293-294).” (Memorandum and Order signed May 29, 1967, page 3, lines 22 to 26).

It is apparent that the District Court predicated its ruling solely upon the reasoning that the Writ of Injunction issued is void per se because it was not signed by a District Judge but was signed solely by the Deputy Clerk. Thus, as hereinabove quoted the Court's ruling is based upon the failure to bring to its attention the authority under which the Writ was granted and because of that failure the District Court ruled that the Writ of Injunction so issued was void per se. It is therefore respectfully submitted that this Court must reverse the ruling of the District Court that the Writ of Injunction as issued was void per se.

It is further respectfully submitted that as the Writ of Injunction as issued was not void per se the District Court's Memorandum and Order must be reversed in its entirety.

Respectfully submitted,

By   LEWIS E. LYON  
      Amicus Curiae



### CERTIFICATE

I certify that in connection with the preparation of this Brief I have examined Rules 18 and 19 of the United States Court of Appeals for the 9th Circuit and in my opinion the foregoing Brief is in full compliance with those rules.

This Motion and Brief Amicus Curiae was served upon each of the following at the addresses given by mailing a true and exact copy thereof on this 1st day of December, 1967.

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DEC 26 1967

UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

WM. B. LUCK, CLERK

AUTHER, C. DANIEL

DOCKET

DOCKET NO. 22061

Vs.

NOVEMBER 11, 1967

ROBERT CARA CO. OF CONFIDENTIAL BAKING CO.  
INTERNATIONAL BROTHERHOOD OF THE THERMIST  
UNION. COMMISSIONER OF INTERNAL REVENUE.  
STATE OF ARIZONA. UNITED STATES OF AMERICA.

RESPONDENTS

PETITIONER MOVED IN REQUESTION OF RULE 18 AND RULE 42 OF  
FEDERAL RULE BOOK, PAGES 73, 74 AND 357, AND RULE 156, ARIZ.  
REV. STATUTES, ARRO. 17, PAGE 211.

RULE 18, JOINDER OF CLAIMS AND REMEDIES. a. JOINDER OF  
CLAIMS. 18a.3 JOINDER OF CLAIMS WHERE THERE ARE MULTIPLE PARTIES.

RULE 42, CONSOLIDATION; SEPARATE TRIALS. a. CONSOLIDATION.

RULE 156, ISSUANCE OF SUBPOENA WHERE DEFENDANT IS CORPORAT-  
ION.

PLAINTIFF REQUESTS RELIEF OF INJURY FROM THE RESPONDENTS IN  
THE ABOVE NAMED CASE, FOR THE VIOLATION OF, SERIAL FAIR EMPLOYMENT  
LAW, IN NOVEMBER 1958. ILLEGALLY FIRING, JULY 06, 1963. BLACKLISTING,  
1963. VIOLATION, THE PRINCIPLE OF ALLIANCE TO THE FLAG OF THE UNITED  
STATES OF AMERICA, IN 1963. VIOLATION, THE PURPOSE (IN WHOLE) OF  
ARTICLE, OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA,  
FROM 1963. THROUGH 1967 OF REVENUE.

#### SERIAL FAIR EMPLOYMENT LAW

WHEN PLAINTIFF, went to DR. Frericks, for doctors care in  
November 1958, when Plaintiff hearing in his right ear began to  
fail him, A. C. (AK) Vinyard, supervisor in charge, made Plaintiff  
go to DR. Frericks, before the Dr. had time to complete his exam-  
ination on the Plaintiff, and request a written statement from the  
Dr. as to the Plaintiff condition, and if the Plaintiff returned  
from the Dr. without this written statement, the Plaintiff was told  
by Dr. Vinyard that Plaintiff would be fired from his job.

1962 12 19

THE STATE OF NEW YORK  
IN SENATE  
JANUARY 19, 1963

MR. B. LUCK  
SENATOR

REPORT  
OF THE  
COMMISSIONER

STATE OF NEW YORK

OFFICE OF THE  
COMMISSIONER

IN SENATE  
JANUARY 19, 1963  
REPORT  
OF THE  
COMMISSIONER  
OF THE  
DEPARTMENT OF  
SOCIAL SERVICES  
TO THE  
GOVERNOR AND  
THE SENATE  
ON THE  
ADMINISTRATIVE  
AND FINANCIAL  
OPERATIONS OF  
THE DEPARTMENT  
FOR THE YEAR  
ENDING DECEMBER  
31, 1962

GOVERNOR AND SENATE  
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FOR THE YEAR  
ENDING DECEMBER  
31, 1962



PLAINTIFF, took this matter up with Vernon Case, Secretary Treasure, of the Teamsters Union Local 274, which Plaintiff is a Brother member, Vernon Case told Plaintiff, If you cant do as your Boss tells you to, you will just have to go some place else and work. When Plaintiff took this matter up with Dr. Frericks, Dr. Frericks got upset and stated, That, he has not had time as yet to make a true statement, that he was not through with runing his test, but to keep the Plaintiff from being fired, the Dr. wrote a statement and give it to the Plaintiff, and the Plaintiff give this statement to Mr. Vinyard. The next week Mr. Vinyard told Plaintiff that he had received a letter from the main office in Los Angeles, and that they had examined the statement from Dr. Frericks, and they find that there is nothing wrong with Plaintiff, and if Plaintiff continues on with his treatements with the Doctor, that the Plaintiff would be fired from his job. Mr. Vinyard said, I request you get them insurance pappers filled out and turned in. Mr. Vinyard said, we have to do checks like this to keep these quack Dr. from running up big Dr. bills on these insurance co. which makes it hard on our company.

PLAINTIFF, is deff in his right ear today, without being given a fair chance by medical care. Plaintiff request TEN HUNDRED THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co. for the relief of injury, suffering from the violation of this Act of Law.

LABOR LAW HANDBOOK---PAGES 149, 150

UNFAIR LABOR PRACTICES.

310. RIGHTS OF EMPLOYEES-SECTION 7. Sec. 8(a)(3) 8(b)(2).

PLAINTIFF, states, on July 06, 1963, when Plaintiff was told by his Supervisor, Jack Rowse, for Plaintiff not to return to work anymore, staiting, that the Salesmanager, Edward Flipowicz, said, give no reason, as the reason for his firinf, this constitutes a Breach of Contract and Unfair Labor Practice. and when Mr. Case refused Plaintiff, the Union is Liable, and when Mr. Bagelton, from the State Labor Board, refused Plaintiff, the State of Arizona is Liable, and when Mr. Cherry, from the National Labor Relation Board,





refused Plaintiff, the United States of America is liable.

PLAINTIFF, request relief of injury, of TEN THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co. for the relief of injury, suffered in the violation of these Art. and Sec. of the law. Plaintiff request that the State of Arizona, and the United States of America, be charged with the Violation, of the PURPOSE (IN SPIRIT) of Amendment, of the Constitution of the United States of America.

LABOR LAW VIOLATION--PAGE 130

UNFAIR LABOR PRACTICES.

311. EMPLOYER UNFAIR LABOR PRACTICES--SECTION 8(a)(1).

INTERFERENCE, RESTRAINT, AND COERCION.

SUPERVISOR AS AGENT OF EMPLOYER.

WHEN, Hostess Cake Co. of Continental Baking Co. let their supervisor, fire Plaintiff, the Co. is liable under this article, and when the Secretary Treasure, of the Teamsters Union, used his force against Plaintiff in this course of action, the Union is liable under this article.

PLAINTIFF, request relief of injury of TEN THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co., for the relief of injury, suffered in the violation of this Art. and its Section.

LABOR LAW VIOLATION--PAGE 130, 131

UNFAIR LABOR PRACTICES.

315. INDIVIDUAL PRACTICES. SECTION 9(a)(1)(A)(i).

WHEN, Plaintiff was fired July 30, 1963, from his job, with Hostess Cake Co. of Continental Baking Co., Plaintiff tried to bargain with the Union, with Hostess Cake Co. of Continental Baking Co., sought redress from the State Labor Board, from the National Labor Relation Board, and private Counsel. Hostess Cake Co. of Continental Baking Co. and the Teamsters Union, refused to even open their mouth in an effort to bargain.

PLAINTIFF, request relief of injury, of TEN THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co. for relief of injury suffered from violation of this article and its Sections of the law.



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## UNFAIR LABOR PRACTICES.

316. UNION UNFAIR LABOR PRACTICES--SECTION 2(b)(1)(A)-  
RESTRAINT AND COERCION.

WHEE, Plaintiff, requested a Council meeting regarding his illegal firing, July 26, 1963, and the action of the Secretary-Treasurer, of the Teamsters Union, Vernon Case, denied Plaintiff a Council meeting, and when Plaintiff attended the regular council meeting on September 11 or 12, 1963, Vernon Case cancelled the meeting, and the United Brotherhood of the Teamsters Union sent Plaintiff a letter, closing this matter against Plaintiff without giving Plaintiff a fair hearing, and Vernon Case of the Teamsters Union, and Edward Slipowicz, of Hostess Cake Co. of Continental Baking Co. interfered with Plaintiff getting a job with Carnation Foods, after Mr. Perkins, of Carnation Foods had hired Plaintiff.

PLAINTIFF, request relief of injury of TEN THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co., for relief of injury suffered from the violations of this Article and its Section of the Law.

## LABOR LAW HANDBOOK--PAGE 218

## UNFAIR LABOR PRACTICES.

317. UNION UNFAIR LABOR PRACTICES--SECTION 2 (b)(3)-  
REFUSAL TO BARGAIN.

WHEE, Plaintiff, requested the Union to get Plaintiff a fair reason for his firing from Hostess Cake Co. of Continental Baking Co. of July 26, 1963, and collect Plaintiff sick pay which the Co. owes Plaintiff, when Plaintiff was off sick, under Doctors care, in the last part of May and the first part of June, of 1963, for 12 days, the Union refused to collect, and the Co. refused to pay Plaintiff.

PLAINTIFF, request relief of injury of TEN THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co. for the relief of injury suffered from the violations of this Article and Section of the Law.

## LABOR LAW HANDBOOK--PAGES 254, 255.

## FEDERAL LAW AFFECTING LABOR RELATIONS.

401. SECTION 301, LMRA-TITLE XX AND AGAINST LABOR ORGANIZATIONS.  
VIEW. SECTION 301 (a) (2)

WHEE, Plaintiff was fired from his job July 26, 1963, with-



THE UNITED STATES OF AMERICA  
DO hereby certify that  
the within and foregoing  
is a true and correct  
copy of the original  
as the same appears  
from the records of  
the Department of  
State, at Washington,  
this 1st day of  
January, 1911.

WILLIAM J. BURNETT,  
Secretary of State.

out being given a proper cause, and when Vernon Case of the Teamsters Union, and Edward Filipowicz, of Hostess Cake Co. of Continental Baking Co., took a writ from U. S. District to have Plaintiff fired, and the Union, Hostess Cake Co. of Continental Baking Co., the State Labor Board, the National Labor Relation Board, and the Veteran Administration, took no course to redress this wrong against Plaintiff, this constitutes a violation of the above Article and Section of the Law.

PLAINTIFF, request relief of injury of TEN THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co., for the relief of injury suffered from the violation of these Article and Section of the Law, and the other Respondents be charged with violating the ~~PRINCIPLE~~ (OR SPIRIT) of Amendments, of the Constitution of the U. S. A.

LAW OF LABOR--PAGES 399, 360, 351.

FEDERAL LAW AFFECTING LABOR RELATIONS.

602. Sec. 303, LAW-DAMAGE ACTION AGAINST LABOR ORGANIZATIONS FOR VIOLATION OF SECTION 8(b)(4) Sec. 303 (a)(b) 303.3

WHEN, Plaintiff was deprived of his business, July 06, 1963, with out being given a just cause, and Plaintiff, went to the above Respondents, in the above name case, for redress of grievances, and was denied by all. This constitutes a violation of the above Article and Sections of the above name Law.

PLAINTIFF, request relief of injury of TEN THOUSAND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co., for the relief of injury suffered from the violation of these Article and Section of the Law, and Plaintiff, request the other Respondents be charged with, violating the ~~PRINCIPLE~~ (OR SPIRIT) of Amendments, of the Constitution of the U. S. A.

LEGISLATIVE HISTORY OF LABOR-MANAGEMENT

REPORTING AND DISCLOSURE ACT OF 1959.

TITLES 1-VI

TITLE 1. BILL OF RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

PAGES 107, 109, 1100, 1130, 101, (a)(111, 1000

1100 (a) Sec. 301 or 303, Page 1133 Sec. 604, Sec. 410.



[illegible][illegible][illegible]

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JAN 10 1964  
U.S. DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250

WHEN, Edward Filipowicz, of Hostess Cake Co. of Continental Baking Co., and Vernon Case, of Teamsters Union, forced those men to sign that letter against Plaintiff, under a threat of being fired, and dropped on the street from the Union, that constitutes a violation of the above Articles of Law.

PLAINTIFF, request relief of injury of THE SUMMED THIRTY AND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co., for relief of injury suffered from the violation of these Articles and Sections of the Law. and Plaintiff, request the other respondents, be charged with violating the PLEDGE (OR SPIRIT) of Amendments, of the Constitution of the U. S. A.

ADDITIONAL VERIFIED PETITION NO. 21 - PAGE 481  
23-1361. ARTICLE 4. PLAINIFFS.

WHEN, Vernon Case, of the Teamsters Union, and Edward Filipowicz, of Hostess Cake Co. of Continental Baking Co., forced those men to sign letters against Plaintiff, and spreaded rumors against Plaintiff, that constitutes a violation of the above Art. of Law. PLAINTIFF, request relief of injury of THE SUMMED THIRTY AND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co., for the relief of injury for the violation of the above Article of Law.

PLEDGE OF ALLEGIANCE TO THE FLAG  
OF THE UNITED STATES OF AMERICA.

WHEN, Plaintiff, joined the Teamsters Union, the Union presented the Pledge of Allegiance to the Flag of the U. S. A. to Plaintiff, as Plaintiff assurance of fair treatment.

PLAINTIFF, request relief of injury of THE SUMMED DOLLARS, per state, for the relief of injury suffered from the Teamsters Union, in the violation of this Act, from the Teamsters Union, or the removal of the Flag, of the U. S. A. from the Teamsters Union.

THAT THE SUMMED DOLLARS  
AND FORTIIVE DOLLARS.

PLAINTIFF, request relief of injury of THE SUMMED THIRTY AND DOLLARS, from each, the Teamsters Union, and Hostess Cake Co. of Continental Baking Co., for relief of injury suffered from the violation of this Act of Law.



1. The first step in the process of the investigation is the identification of the problem. This is done by the investigator who is assigned to the case. The investigator will then gather information about the problem and the people involved. This information will be used to determine the cause of the problem and to develop a plan of action.

1-15-51. LITTON & ASSOCIATES  
LITTON & ASSOCIATES, 1000  
1000 10th Avenue, New York 17, N.Y.  
ATTENTION: Mr. J. Edgar Hoover  
WASHINGTON, D.C. 20535

1. The above is a true and correct copy of the original as shown to the undersigned by the person who produced it.

WOMAN, FARMER, JOURNALIST AND VETERAN WRITER, THE WOMAN  
PRESENTED THE PRIZE OF \$100.00 TO THE WOMAN OF THE YEAR  
OF 1917. SHE WAS THE FIRST WOMAN TO BE SO AWARDED.

PLANTING, together with the injury to the plant, was  
not made, for the reason of injury caused to the  
system, in the absence of the plant, from the  
the presence of the plant, at the time the  
with, which, was, the

THE UNITED STATES  
DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.  
JANUARY 10, 1944  
MEMORANDUM FOR THE RECORD  
SUBJECT: [Illegible]

PLAINTIFF, has associated himself with the Teamsters Union, Posters Inc. Co. of Continental Baking Co., the State Labor Board, the National Labor Relations Board, the Veterans Administration, and Private Council, the Plaintiff, filed his grievances with the Commissioner of Internal Revenue, the Commissioner of Internal Revenue has the powers to investigate, from taxation, and the Fair Labor Standards and Walsh-Healey Acts. The Commissioner of Internal Revenue Service, should have investigated this matter as reported in the Plaintiff grievances, and then turned it over to the United States Attorney General Office, and the Secretary Labor Office, for prosecution.

THE CONSTITUTION, BILL OF RIGHTS, STATES, the Plaintiff, must not be denied or restricted, and the Great Seal of the Constitution has guarded well against that.

PLAINTIFF, request relief of injury of ONE MILLION DOLLARS, from each, the State of Arizona, and the United States of America, for the relief of injury, suffered from the violation of the PURPOSE (OR SPIRIT) of Amendments, of the Constitution of the U. S. A. by the above named respondents.

RELIEF, of injury is based upon the loss of wages and benefits, from July 06, 1963, untill retirement, and beyond the blessing

STATE OF ARIZONA  
COUNTY OF MARICOPA

SS.

This instrument was acknowledged before me this 11 day of

Dec, 1967, by Arthur J. Barkley

In witness whereof I herewith set my hand and official seal

Charles R. King, NOTARY PUBLIC

Arthur J. Barkley  
1101 W. McDowell St.  
Phoenix, Arizona 85014

My Commission Expires Oct. 15, 1971





Office of the Clerk  
U. S. Court of Appeals  
for the Ninth Circuit  
San Francisco, California 94101

*Dec 11-1967*  
*Jan 13, 1968*

Dear Sir:

"I Certify that, in connection with the preparation of this  
brief, I have reviewed Rules 17, 19 and 20 of the United States  
Court of Appeals for the Ninth Circuit, and that, in my opinion,  
the foregoing brief is in full compliance with those rules.

Not being an attorney, it is hoped that the Court will  
hear with me through the rules of the Court.

*Arthur H. Barkley*  
Petitioner  
Arthur H. Barkley  
4185 So. Mitchell St.  
Phoenix, Arizona 85018



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IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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AUTHER G. BARKLEY,

Petitioner

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent

---

ON PETITION FOR REVIEW OF THE DECISION OF THE  
TAX COURT OF THE UNITED STATES

---

BRIEF FOR THE RESPONDENT

---

MITCHELL ROGOVIN,  
Assistant Attorney General.

MEYER ROTHWACKS,  
HARRY MARSELLI,  
Attorneys,  
Department of Justice,  
Washington, D.C. 20530.

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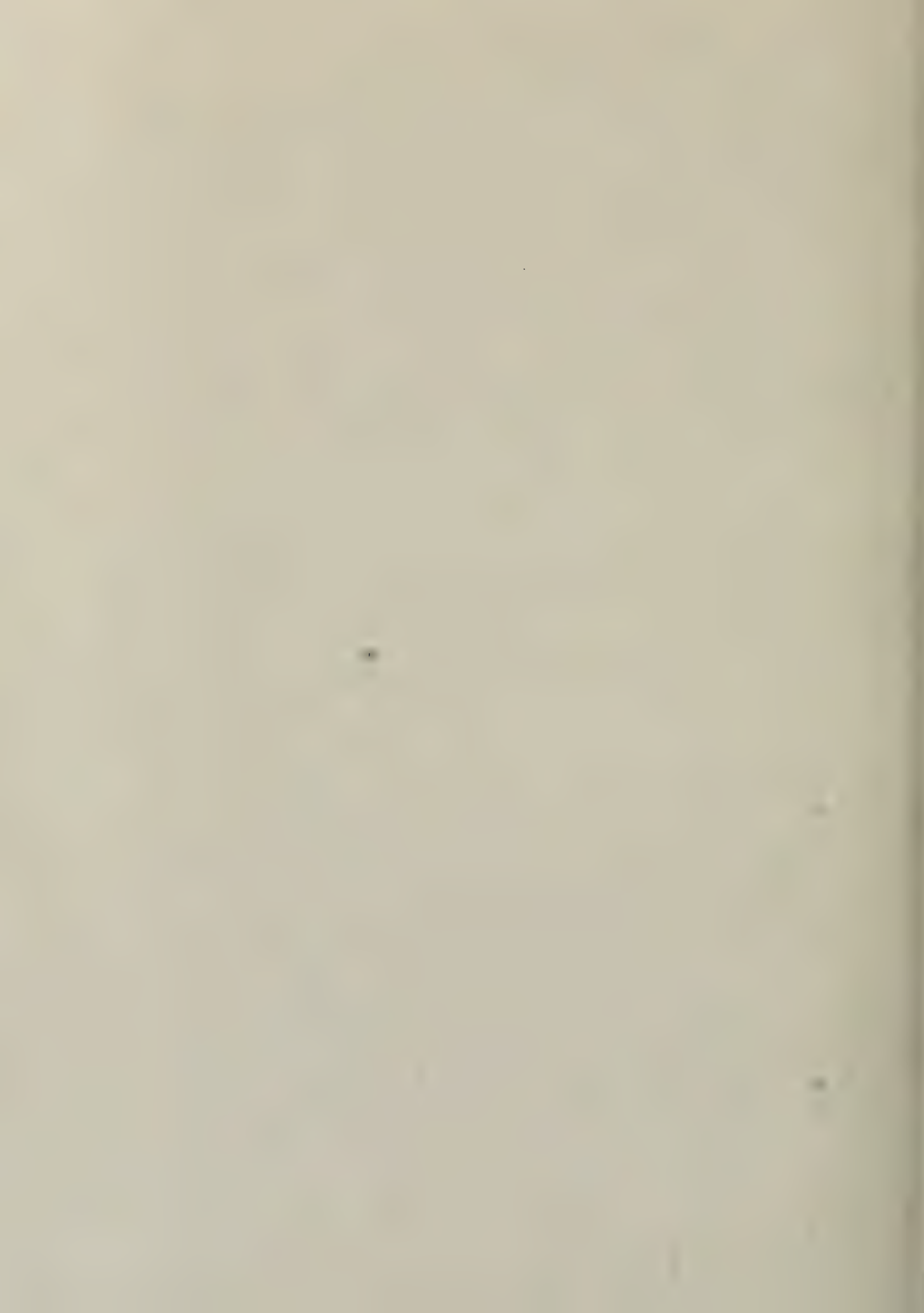
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FILED

JAN 25 1968

WM. B. LUCK, CLERK





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In light of the evidence, or lack of evidence, presented to it, the Tax Court correctly sustained the Commissioner's determination of the taxpayer's income tax liability for the year in question. The taxpayer's allegations of injustices relating to his discharge from employment and denial of reinstatement are matters not within the jurisdiction of the Tax Court or this Court in this case -----

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IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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No. 22061

AUTHER G. BARKLEY,

Petitioner

v.

COMMISSIONER OF INTERNAL REVENUE,

Respondent

---

ON PETITION FOR REVIEW OF THE DECISION OF THE  
TAX COURT OF THE UNITED STATES

---

BRIEF FOR THE RESPONDENT

---

OPINION BELOW

The memorandum findings of fact and opinion of the Tax Court  
(I-R. 40-45)<sup>1/</sup> are not officially reported.

JURISDICTION

This petition and amended petition for review (I-R. 47, 50) involve federal income tax for the taxable year 1964. On May 31, 1966, the Commissioner of Internal Revenue mailed to the taxpayer notice of a deficiency, asserting a deficiency in that tax in the aggregate amount of \$471,78, and a statutory addition to the tax of \$23.59 for negligence, under Section 6653(a) of the Internal Revenue Code of 1954. (I-R. 14-18.) Within ninety days thereafter,

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<sup>1/</sup> "I-R." and "II-R." references are to volumes I and II of the record on appeal.

on June 28, 1966, the taxpayer filed a petition with the Tax Court alleging certain injustices concerning his discharge from a position of employment. (I-R. 1-6.) On September 27, 1966, with leave of the Tax Court (I-R. 19), taxpayer filed an amended petition requesting a redetermination of the above deficiency (I-R. 13-18), permitted under the provisions of Section 6213 of the Internal Revenue Code of 1954. The decision of the Tax Court was entered May 15, 1967. (I-R. 46.) The case is brought to this Court by a petition and amended petition for review filed on June 8, 1967, and June 14, 1967, respectively (I-R. 47, 50), within the three-month period prescribed in Section 7483 of the Internal Revenue Code of 1954. Jurisdiction is conferred on this Court by Section 7482 of that Code.

#### QUESTION PRESENTED

Whether--upon the evidence, or lack of evidence, before it--the Tax Court was correct in sustaining the Commissioner's determination of the taxpayer's income tax liability for the year in question, where relief was sought by the taxpayer solely upon the basis of allegations of injustices relating to his discharge from employment and denial of reinstatement.

#### STATUTES AND REGULATIONS INVOLVED

The relevant statutes and Regulations are set forth in the Appendix, infra.



STATEMENT

The facts, as found by the Tax Court, are as follows:

Taxpayer and his wife Sue E. Barkley filed a joint individual income tax return for the calendar year 1964 with the District Director of Internal Revenue at Phoenix, Arizona. Both taxpayer and his wife at all times material herein were residents of Phoenix. (I-R. 41.)

On the joint return taxpayer and his wife reported total wages of \$5,470.91; itemized deductions of \$1,025.72; exemptions of \$2,400; a taxable income of \$2,045.19; and a tax liability of \$332.90. (I-R. 41.)

The Commissioner, in his notice of deficiency dated May 31, 1966, made "Adjustments" to the taxable income reported as follows (I-R. 41-42):

Taxable income as disclosed by return	\$2,045.19
Unallowable deductions and additional income:	
(a) Interest income	440.33
(b) Income for services rendered	1,530.00
(c) Itemized deductions	<u>1,025.72</u>
Total	\$5,041.24
Nontaxable income and additional deductions:	
(d) Standard deduction	<u>744.12</u>
Corrected taxable income	\$4,297.12

The \$1,530 added by the Commissioner was for services taxpayer rendered the M. and M. Distributors Company in 1964 which had not been reported by taxpayer on the return. (I-R. 42.) The Commissioner also determined that this amount represented "self-employment income as defined in Section 1402 of the Internal



Revenue Code of 1954" on which there was due a "self-employment tax" of \$65.26, his computation of tax being as follows (I-R. 42):

Corrected taxable income	\$4,297.12
Income tax	739.42
Plus self-employment tax	65.26
Total income tax liability	<u>\$ 804.68</u>
Tax liability shown on return	332.90
Deficiency	<u>\$ 471.78</u>
Addition under sec. 6653(a), I.R.C. 1954	23.59

On June 28, 1966, taxpayer filed a document with the Tax Court alleging that his Constitutional rights had been denied and requesting that his tax money be refunded until his rights have been enforced. The document also set forth in some detail certain facts which were alleged to have occurred in regard to a labor dispute. The document did not specifically challenge any of the determinations referred to in the Commissioner's notice of deficiency. (I-R. 42-43.)

On September 22, 1966, taxpayer, with leave of the Tax Court, duly filed an amended petition in which he set forth that the Commissioner erred in failing to refund his money and stated that the facts which are the basis of his case were set forth in the document filed earlier with the Tax Court on June 28, 1966. (I-R. 43.)

The Tax Court held that it had no power to adjudicate taxpayer's employment problems and that since taxpayer had offered no proof that the deficiency was in error, it had no alternative but to sustain the Commissioner's determination. (I-R. 43-45.) Taxpayer brings this petition for review.

### SUMMARY OF ARGUMENT

In the Tax Court, taxpayer offered no proof relating to his tax liability. Evidence adduced by the Commissioner showed that taxpayer received but did not include in his return for the taxable year income in the form of compensation for services and interest. In addition, the unreported compensation was properly subject to the self-employment tax. In recomputing taxpayer's tax liability, the Commissioner allowed taxpayer the standard deduction, because it was greater than taxpayer's itemized deductions after the latter were reduced by the amount of reported but unsubstantiated charitable deduction. Imposition of the 5 percent addition to the tax deficiency for negligence or intentional disregard of rules and regulations was appropriate in view of taxpayer's avowed refusal to fulfill his tax obligations. The basis for this refusal, which is taxpayer's only contention in this case, is that he suffered alleged injustices arising from a labor dispute.

This contention is not, of course, a matter within the jurisdiction of the Tax Court or this Court in this proceeding. The Tax Court's function is limited by statute to a redetermination of the tax deficiency under the applicable tax laws. This Court's jurisdiction on a petition for review from the Tax Court is likewise restricted by statute to a determination of whether the decision of the Tax Court is "in accordance with law"--the internal revenue laws, and such other laws or principles as may be indirectly applicable. The Tax Court's decision here is a correct application of the internal revenue laws and should accordingly be affirmed.

ARGUMENT

IN LIGHT OF THE EVIDENCE, OR LACK OF EVIDENCE, PRESENTED TO IT, THE TAX COURT CORRECTLY SUSTAINED THE COMMISSIONER'S DETERMINATION OF THE TAXPAYER'S INCOME TAX LIABILITY FOR THE YEAR IN QUESTION. THE TAXPAYER'S ALLEGATIONS OF INJUSTICES RELATING TO HIS DISCHARGE FROM EMPLOYMENT AND DENIAL OF REINSTATEMENT ARE MATTERS NOT WITHIN THE JURISDICTION OF THE TAX COURT OR THIS COURT IN THIS CASE

In the Tax Court, taxpayer did not introduce any evidence or argument addressed to the adequacy of the factual or legal foundation for the Commissioner's determination of tax deficiency. The only proof directly relating to taxpayer's liability was submitted by the Commissioner. (I-R. 24-30, II-R. 11.) Thus, while the taxpayer's failure to bring forth relevant proof left the presumptive correctness of the tax deficiency intact (see Welch v. Helvering, 290 U.S. 111 (1933)), the evidence adduced by the Commissioner in the Tax Court, when subsumed under the applicable statutes, nonetheless provides alternative support for the Commissioner's determination. Moreover, since taxpayer's tax liability is relatively uncomplicated and since he does not refute his liability in terms of the tax statutes, the basis for the Commissioner's determination need be discussed only briefly.

During the taxable year, taxpayer received but did not report on his tax return \$1,530 in compensation for services. This income item was included as an adjustment to taxpayer's tax liability in the statutory deficiency notice. (I-R. 16.) The receipt of this compensation was not denied by taxpayer in his testimony. (II-R. 22-23.) Another item of income not included on his tax



return was interest received by taxpayer on various savings accounts. (I-R. 16.) Statements verifying the payment of interest to taxpayer (Forms 1099) were enclosed with his tax return (I-R. 28-30), and taxpayer at one point admitted the receipt of this interest (II-R. 17). These items of compensation and interest are, of course, income subject to taxation. Section 61(a)(1) and (4), Internal Revenue Code of 1954, Appendix, infra. In addition, since no tax was withheld on the above unreported compensation (II-R. 23), it was properly subject to the self-employment tax (I-R. 18) imposed by Sections 1401 and 1402(a), Internal Revenue Code of 1954, Appendix, infra.

In recomputing the tax liability, the Commissioner allowed taxpayer the standard statutory deduction because it was greater than taxpayer's itemized deductions after the latter were reduced by the amount of reported but admittedly unsubstantiated charitable contributions. (I-R. 16-17, II-R. 24-25.) See Section 170(a)(1), Internal Revenue Code of 1954, and Treasury Regulations on Income Tax, Section 1.170(a)(3)(iii), Appendix, infra.

Finally, the 5 percent addition to the tax deficiency for negligence or intentional disregard of rules and Regulations under Section 6653(a), Internal Revenue Code of 1954, Appendix, infra, was entirely appropriate in view of the statement which accompanied taxpayer's return embodying his clear refusal to fulfill his tax obligations. (I-R. 33-38.) The statement asserts as the basis for the

refusal a series of wrongs taxpayer is alleged to have suffered relating to his previous employment. Throughout the Tax Court proceeding, taxpayer took the same position, adding that the labor dispute resulted in the denial of his constitutional rights and that until these alleged injustices were cured, all taxes paid by him since July 6, 196<sup>2</sup><sub>3</sub>, should be refunded. (I-R. 37-38.)

Taxpayer's position culminates in this appeal with several large claims for relief from various named parties. (Br. 1-7.)

Of course, the Tax Court is not the proper forum for airing grievances of the kind raised by taxpayer's repeated allegations. Sections 6214(a) and 7442, Internal Revenue Code of 1954, Appendix, infra, limited the Tax Court's jurisdiction in this case to a re-determination under the Internal Revenue Code of the tax deficiency, and, due to taxpayer's unusual stance, that redetermination could only be perfunctory. Cf. Muste v. Commissioner, 35 T.C. 913 (1961). Apparently appreciating the sincerity of taxpayer's grievances, the Tax Court did attempt to explain its restricted function to the taxpayer. (II-R. 17-18.)

The jurisdiction of this Court on a petition for review from the Tax Court is likewise limited by statute to a determination of whether the Tax Court's decision was "in accordance with law"

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<sup>2</sup>/ This is the day taxpayer was apparently discharged from his employment, the root of his grievances. (I-R. 33.)

(Section 7482(c), Internal Revenue Code of 1954; see also Section 7482(a) Appendix, infra)--the internal revenue laws, and such other laws or legal principles as may be indirectly applicable. In un-technical terms, taxpayer has chosen the wrong time and place to present his labor problems. The Tax Court's decision is a correct application of the internal revenue law and should accordingly be affirmed.

#### CONSLUSION

For the reasons above, the decision of the Tax Court should be affirmed.

Respectfully submitted,

MITCHELL ROGOVIN,  
Assistant Attorney General.

MEYER ROTHWACKS,  
HARRY MARSELLI,  
Attorneys,  
Department of Justice,  
Washington, D.C. 20530.

January, 1968.

#### CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18, 19, and 39 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

Dated: \_\_\_\_\_ day of \_\_\_\_\_, 1968.

---

HARRY MARSELLI  
Attorney



APPENDIX

Internal Revenue Code of 1954:

SEC. 61. GROSS INCOME DEFINED.

(a) General Definition.--Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

(1) Compensation for services, including fees, commissions, and similar items;

\* \* \*

(4) Interest;

\* \* \*

(26 U.S.C. 1964 ed., Sec. 61.)

SEC. 170. CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

(a) Allowance of Deduction.--

(1) General Rule.--There shall be allowed as a deduction any charitable contribution (as defined in subsection (c)) payment of which is made within the taxable year. A charitable contribution shall be allowable as a deduction only if verified under regulations prescribed by the Secretary or his delegate.

\* \* \*

(26 U.S.C. 1964 ed., Sec. 170.)

SEC. 1401 [as amended by Sec. 201(a), Social Security Amendments of 1961, P. L. 87-64, 75 Stat. 131]. RATE OF TAX.

In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax \* \* \*

\* \* \*

(26 U.S.C. 1964 ed., Sec. 1401.)

SEC. 1402. DEFINITIONS.

(a) Net Earnings From Self-Employment.--The term "net earnings from self-employment" means the gross income derived by an individual from any trade or business carried on by such individual, \* \* \*

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\*

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(26 U.S.C. 1964 ed., Sec. 1402.)

SEC. 6214. DETERMINATIONS BY TAX COURT.

(a) Jurisdiction as to Increase of Deficiency, Additional Amounts, or Additions to the Tax.--The Tax Court shall have jurisdiction to redetermine the correct amount of the deficiency even if the amount so redetermined is greater than the amount of the deficiency, notice of which has been mailed to the taxpayer, \* \* \*

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(26 U.S.C. 1964 ed., Sec. 6214.)

SEC. 6653. FAILURE TO PAY TAX.

(a) Negligence or Intentional Disregard of Rules and Regulations With Respect to Income or Gift Taxes.--If any part of any underpayment (as defined in subsection (c) (1)) of any tax imposed by subtitle A or by chapter 12 of subtitle B (relating to income taxes and gift taxes) is due to negligence or intentional disregard of rules and regulations (but without intent to defraud), there shall be added to the tax an amount equal to 5 percent of the underpayment.

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(26 U.S.C. 1964 ed., Sec. 6653.)

SEC. 7442. JURISDICTION.

The Tax Court and its divisions shall have such jurisdiction as is conferred on them by this title, by chapters 1, 2, 3, and 4 of the Internal Revenue Code of 1939, by title II and title III of the Revenue Act of 1926 (44 Stat. 10-87), or by laws enacted subsequent to February 26, 1926.

(26 U.S.C. 1964 ed., Sec. 7442.)

SEC. 7482. COURTS OF REVIEW.

(a) Jurisdiction.--The United States Courts of Appeals shall have exclusive jurisdiction to review the decisions of the Tax Court, except as provided in section 1254 of Title 28 of the United States Code, in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury; and the judgment of any such court shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari, in the manner provided in section 1254 of Title 28 of the United States Code.

\*

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\*

(c) Powers.--

(1) To Affirm, Modify, or Reverse.--Upon such review, courts shall have power to affirm or, if the decision of the Tax Court is not in accordance with law, to modify or to reverse the decision of the Tax Court, with or without remanding the case for a rehearing, as justice may require.

(2) To Make Rules.--Rules for review of decisions of the Tax Court shall be those prescribed by the Supreme Court under section 2074 of title 28 of the United States Code. Until such rules become effective the rules adopted under authority of section 1141 (c) (2) of the Internal Revenue Code of 1939 shall remain in effect.

(3) To Require Additional Security.--Nothing in section 7483 shall be construed as relieving the petitioner from making or filing such undertakings as the court may require as a condition of or in connection with the review.

(4) To Impose Damages.--The United States Court of Appeals and the Supreme Court shall have power to impose damages in any case where the decision of the Tax Court is affirmed and it appears that the petition was filed merely for delay.

(26 U.S.C. 1964 ed., Sec. 7482.)



Treasury Regulations on Income Tax (1954 Code):

§ 1.170-1 Charitable, etc., contributions and gifts; allowance of deduction.

(a) In general--(1) General rule. Any charitable contribution (as defined in section 170(c)) actually paid during the taxable year is allowable as a deduction in computing taxable income, regardless of the method of accounting employed or when pledged. In addition, contributions by corporations may under certain circumstances be deductible even though not paid during the taxable year (see § 1.170-3), and subject to the provisions of section 170(b) (5) and paragraph (g) of § 1.170-2, certain excess charitable contributions made by individuals in taxable years beginning after December 31, 1963, shall be treated as paid in certain succeeding taxable years. The deduction is subject to the limitations of section 170(b) (see §§ 1.170-2 and 1.170-3) and is subject to verification by the district director. For rules relating to the determination of, and the deduction for, amounts paid to maintain certain students as members of the taxpayer's household and treated under section 170(d) as paid for the use of an organization described in section 170(c) (2), (3), or (4), see paragraph (f) of § 1.170-2. For a special rule relating to the computation of the amount of the deduction with respect to a contribution of section 1245 or section 1250 property, see section 170(e).

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\*

(3) Information required in support of deductions for taxable years beginning after December 31, 1963--(i) In general. In connection with claims for deductions for charitable contributions paid in taxable years beginning after December 31, 1963, taxpayers shall state in their income tax returns the name of each organization to which a contribution was made and the amount and date of the actual payment of each contribution. If a contribution is made in property other than money, the taxpayer shall state the kind of property contributed (for example, used clothing, paintings, securities) and shall state the method utilized in determining the fair market value of the property at the time the contribution was made. In any case in which a taxpayer makes numerous cash contributions to an organization during the taxable year, the taxpayer may state the total cash payments made to such organization during the taxable year in lieu of listing each cash contribution and the date of payment.

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(iii) Statement from donee organization. Any deduction for a charitable contribution must be substantiated, when required by the district director, by a statement from the organization to which the contribution was made indicating whether the organization is a domestic organization, the name and address of the contributor, the amount of the contribution, the date of actual receipt of the contribution, and such other information as the district director may deem necessary. If the contribution includes an item of property (other than money or securities which are regularly traded on a stock exchange or in an over-the-counter market) which the donee deems to have a fair market value in excess of \$200 at the time of receipt, such statement shall also indicate for each such item its location if retained by the organization, the amount received by the organization on any sale of the property and the date of sale, or in case of other disposition of the property, the method of disposition.

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(26 C.F.R., Sec. 1.170-1.)















